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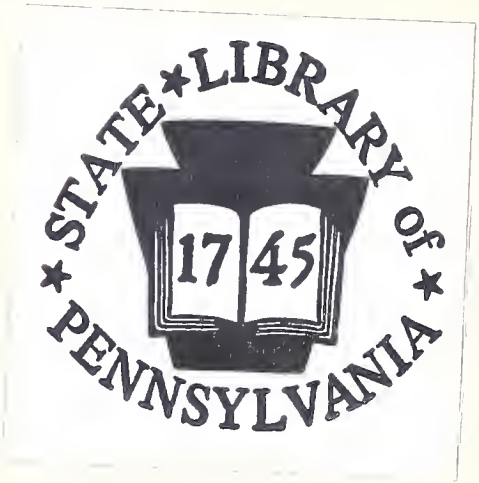
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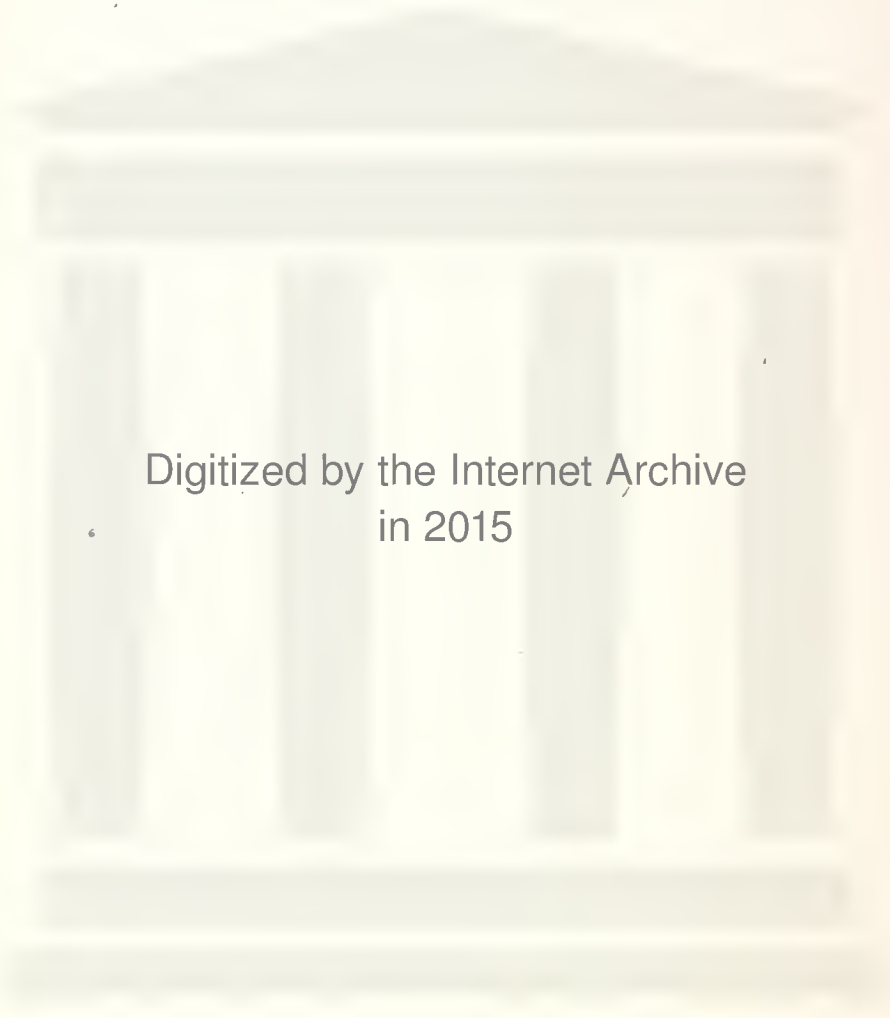
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ERRATA

On page XLVII, paragraph 3, line 4 reads "with Federal policy." which should read "with Federal policy and negotiated the Delaware River compact."

On page XLVII, paragraph 8, line 2 reads "sylvania under the new Blue Law; and reconstructed the Depart-" which should read "sylvania under the new 'Blue Sky' Law; and reconstructed the Depart-"

MESSAGE

OF

GOVERNOR GIFFORD PINCHOT

TO THE

GENERAL ASSEMBLY OF PENNSYLVANIA

Delivered in Person to the Joint Session in the House of Representatives

JANUARY 4, 1927

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MESSAGE OF THE GOVERNOR

TO THE

GENERAL ASSEMBLY, JANUARY 4, 1927

To the General Assembly:

I come before you to make a final accounting to the General Assembly, and through it to the people of Pennsylvania.

Four years ago a new order was established in the government of this Commonwealth. Before that time the government machinery was administered chiefly for the service of political insiders, while the people got little more than the crumbs which fell from the rich men's table.

The new order was based on this simple principle: The public good comes first. It held that the business of public servants is to conduct the government solely in the interest of the whole people, without regard to personal, financial, or political interests. In other words, to spend the taxpayers money, and handle the public business, for the service of the people, and for that alone.

This new order was no vague generality. On the contrary, it was concrete and specific. It had a definite written program, which had been announced (and circulated by millions of copies) in the primary election of 1922, repeated in the general election, and reaffirmed in my inaugural address and again in my opening message to the Legislature of 1925. It was as follows:

> If elected Governor I will use the full power of my office:
>
> To drive all saloons out of the State.
>
> To prevent and punish bootlegging.
>
> To maintain and secure good laws for the protection of working children, women, and men.
>
> To safeguard the industries of Pennsylvania and promote the prosperity of the State.
>
> To advance the interests of the farmers, who feed us all.
>
> To give our children the best schools in America.
>
> To check centralization and give more home rule to cities, counties, townships, and school districts.
>
> To maintain the direct primary and protect the rights of women voters.
>
> To meet the just needs of those who served in the World War.

To revise and equalize taxes, establish a budget system, and reorganize the State Government on a business basis.

To keep the expenses of the State within its income.

To get a dollar's worth of service for every dollar spent.

As Governor I will appoint no one to public office whom I know to be unfit. I will move to Harrisburg and be on the job, and I will earnestly strive to give due consideration and a Roosevelt square deal to every man, woman, and child in the State.

This platform from first to last has been and still is the pledge and sailing chart of this Administration. Either this pledge has been kept or it has not. If it has not, this Administration is to be condemned. If it has, then we have kept faith with the people. It is for the people to say, and it is upon their verdict that this Administration will finally be judged.

PLEDGES ENACTED INTO LAW

In the effort to carry out this platform the following laws (among others) were enacted by the General Assembly and signed by the Governor, during the three legislative sessions of my term:

IN THE SESSION OF 1923

SNYDER ACT—Abolishing the licensed saloon and providing for the enforcement of the Eighteenth Amendment to the Constitution of the United States.

THE ADMINISTRATIVE CODE—Completely reorganizing the executive branch of the government and establishing a budget system.

GIANT POWER ACT—Providing for the appointment of a Commission to investigate and recommend legislation for the regulation of the electric power industry.

THE GENERAL APPROPRIATION ACT—Enacting into law practically without change as submitted the first Budget in the history of the Commonwealth.

TRI-STATE DELAWARE RIVER COMMISSION ACT—Authorizing a commission to negotiate a Compact with New York and New Jersey to regulate the use of the waters of the Delaware River and its tributaries.

ALL HOSPITAL APPROPRIATIONS made on a per diem basis, thus paying to State-aided hospitals the amounts they actually earned by caring for the indigent sick instead of what the politicians chose to give them.

AMENDMENT TO THE EDMONDS LAW—Increasing the State subsidies to common schools to as much as 75% in the poorer school districts.

"BLUE SKY" ACT—Prohibiting the sale of fraudulent securities in Pennsylvania and creating a Bureau of Securities to administer the Act.

MENTAL HEALTH ACT—Completely revising the laws relating to the care and treatment of insane and mentally defective persons.

STATE EMPLOYES RETIREMENT ACT—Establishing a system for the payment of annuities to all State employes out of a fund created by contributions of employes and State appropriations.

GAME CODE—Codifying and revising the State's game laws.

ATHLETIC COMMISSION ACT—For the regulation and purification of athletic contests through a State Commission, and devoting the fees collected to the expenses provided for in the Act next mentioned.

ACT CREATING COMMISSION TO ERECT MONUMENTS IN FRANCE AND BELGIUM to Pennsylvania Soldiers and Sailors and Marines who died in the World War.

IN THE SESSION OF 1925

AN ACT APPROPRIATING THE PROCEEDS of the second fifty million dollar bond issue for the construction of highways.

LEGISLATION revising the method of educating deaf, dumb, and blind children, and providing for the first time that all of them shall be trained.

AN ACT CREATING A STATE COUNCIL for the blind within the Department of Welfare.

FISH CODE—Revising completely and codifying the law relating to fishing in Pennsylvania.

THE GENERAL POOR RELIEF ACT—Codifying the laws relating to the relief of the poor in all counties except of the first and second classes.

AN ACT ABOLISHING ALL SPECIAL FUNDS for professional examining boards, requiring their fees to be paid into the State Treasury, and placing all of them on an appropriation basis.

AN ACT APPROPRIATING one million dollars to the Department of Welfare to enable it to arrange for the care and treatment of indigent sick in hospitals not owned by the State.

AN ACT APPROPRIATING MONEY AND CREATING A COMMISSION to acquire a new site for the eastern state penitentiary.

AN ACT GIVING JURIES the right to impose either life imprisonment or the death sentence as the penalty for murder in the first degree.

AN ACT EXTENDING THE BENEFITS OF THE SCHOOL TEACHERS' RETIREMENT FUND to teachers who had retired from the State's service prior to the passage of the School Teachers' Retirement Act.

AN ACT ACQUIRING THE LOCUST MOUNTAIN MEMORIAL HOSPITAL as a State hospital.

THE UNIFORM CONDITIONAL SALES ACT.

ACTS PERMITTING THE PURCHASE OF LANDS FOR GROWING FOREST TREE SEEDLINGS and permitting inmates of State penal institutions to work in State Forests.

IN THE EXTRAORDINARY SESSION OF 1926

ALCOHOL ACT—extending the State's power for the enforcement of the Eighteenth Amendment.

ACT PERMITTING THE COLLECTION OF TOLLS for the use of the Delaware River Bridge.

AN ACT TO ASSIST THE AUDITOR GENERAL in the collection of the gasoline tax.

ADOPTION for the first time of a Resolution proposing a voting machine amendment to the Constitution.

MEASURES WHICH FAILED

The most important measures advocated by the Governor which the Legislature refused to pass during this Administration were: in 1923, the appropriation of $250,000 for law enforcement; in 1925, acts extending the State's power to enforce the Eighteenth Amendment, the appropriation of $500,000 for law enforcement, the Giant Power Bills, and the ratification of the Delaware River Tri-State Treaty; in 1926, the twelve measures for clean elections recommended by the Commission of Seventy-Six; the Giant Power bills; the ratification of the Delaware River Tri-State Treaty; the Regulation of the Anthracite coal industry; the Banking Code, and a number of separate bills to give to the Banking Department much needed additional powers.

As a partial offset it should be noted that the school people and the Administration together defeated the attempt to cut $7,000,000 from the appropriations for the common school system in 1925.

POLITICS IN THE PUBLIC SERVICE

When this Administration came into office the public service of Pennsylvania was rotten with politics. It was badly organized, and filled with incompetents appointed for political reasons. Many of them were doing political work for political insiders at the taxpayers expense, and little or nothing else. This amounts to embezzlement of public funds for private purposes. It is the regular practice of the gang.

The financial system of the Commonwealth was a mess. There was no budget, no uniform system of accounts, no form of fiscal control except that of the Auditor General and State Treasurer, and that did not prevent the waste of public money. A system of self-appropriation by Boards and Departments through deficiencies was costing the taxpayers millions of dollars a year; and to cap it all the State owed some $32,000,000 for current expenses which it was unable to pay.

For this mess gang control was responsible. I was pledged to clean it up. To do so required the cooperation of all the Departments responsible to the Governor. Summaries of their work will be found in the appendix to this message. I can touch only a few of their principal achievements.

DEPARTMENT OF STATE AND FINANCE

In the spring of 1922, immediately after my nomination, I asked eighteen highly qualified men and women to serve as a Citizens' Committee on the Finances of Pennsylvania under the chairmanship of Doctor Clyde L. King, in order to make a thorough study of the Commonwealth's financial methods and condition. This study was the basis of our present financial policy. I desire here to make public and most grateful acknowledgment to the members of the committee, to all those who assisted in its work, and especially to Doctor King, who continued as Secretary of the Commonwealth and Budget Officer the work he had so admirably directed as a volunteer.

The influence of Dr. King's highly trained, fertile, and generous mind has been strongly felt not only within his own Department of State and Finance, but as a constructive and stimulating force in every part of the State Service.

The work of the Citizens' Committee showed that when this Administration came into office the Commonwealth of Pennsylvania owed, for current expenses, a heavy debt which it could not pay for lack of funds. At first this debt appeared to be $29,000,000, but further study of the jumbled finances of the State showed that it was even larger. To that extent the Commonwealth was insolvent.

This Administration assumed actual fiscal control on June 1, 1923, when the present Budget went into effect. On that date the Commonwealth owed a known debt of nearly $32,000,000 in unexpended balances of General Fund appropriations. Other items discovered later raised the total to more than $32,000,000.

Part of this debt dated back as far as 1909, but over $21,000,000 of it came directly from the preceding Administration. It had piled up not because of the poverty of the Commonwealth, but because of long continued repudiation of sound financial principles for political advantage.

To meet this liability of over $32,000,000 there was in the General Fund on June 1, 1923, an actual cash balance of $31,002.39. A million of debt for each thousand of cash. On the same date bills due and approved for payment to the amount of $9,020,468.08 were lying in the State Treasury unpaid for want of money.

During the calendar year 1922 this excess of bills over cash to pay them at the end of each month averaged $13,483,630, with an average cash balance to pay them of $452,059.

The honor as well as the credit of Pennsylvania were involved in paying off this debt, and paying it off at the earliest practicable moment. Moreover, the taxpayers ought not to be penalized, if that could be avoided, for the misdoing of politicians. Therefore we undertook to pay off the debt, not by additional taxation, but by rigid economy, and to pay it off in two years.

The first budget in the history of Pennsylvania, which I had the honor to submit to the Legislature a few days after taking office, accordingly provided for a reduction of 26½ per cent in the comparable current expenses of the Departments responsible to the Governor.

As necessary parts of cleaning up the mess, a complete system of uniform accounts was established, self-appropriation through deficiencies was eliminated, and a plan of fiscal control was introduced which, for the first time, gave the Governor complete and current knowledge at all times of the actual and proposed expenditures of the Departments and the financial condition of the State.

At the end of the first two fiscal years of this Administration the debt was wiped out. More than $26,000,000 had actually been paid, and instead of a deficit there was a surplus in the Treasury much more than sufficient to pay off the rest.

During these two fiscal years the reduction in running expenses of the Departments responsible to the Governor enabled us to pay off the debt at the rate of over $45,000 for every working day, and that with no reduction but on the contrary a notable increase in the amount of service rendered.

When the present fiscal biennium closes and the last appropriation year of this Administration comes to an end, it is estimated that

there will be a free and unencumbered cash balance in the General Fund of about $6,700,000, with all unpaid obligations fully provided for.

Moreover, for the past two years the State Treasurer has been able to pay every bill of the Commonwealth the moment it was presented. During the calendar year 1925 there was in the General Fund at the end of each month an average cash balance of $4,598,748.09 in excess of all bills due. During the first eleven months of 1926 the average excess of cash over current bills payable was more than $9,500,000. These figures speak for themselves.

A summary of this debt and its payment appears in the appendix (Department of State and Finance). The individual items and the dates upon which they were paid off are given in the biennial report of the Secretary of the Commonwealth. Persons who might otherwise be deceived by the repeated efforts of enemies to question or deny the reduction of current expenses and the payment of the debt are referred to this document.

Talk about reducing the running expenses of any government, State or National, is common enough, but the thing itself is rarely done. It is worth remembering that in this second biennium of the present Administration the ordinary running expenses of the State Government are less than they were four years ago.

I have not learned that any corresponding cut was ever made in the current expenses of any other State or nation. The reduction of war expenses is a wholly different matter. Furthermore, to provide for contingencies and prevent deficits, the appropriations were so allotted before expenditure began that each Department would spend less than half of its appropriation in the first year of each fiscal biennium.

Under this Administration Pennsylvania is expending only five per cent of her income for the regular running expenses of the State Government. The rest of the $250,000,000 which the Commonwealth is collecting and spending during the present fiscal biennium is returned to the counties in the form of good roads, subsidies for common schools and for hospitals, protection of fish and game, and a thousand other things which the counties would be obliged to pay for themselves if the State did not help them out. Ninety-five per cent of our total income goes straight back to the people.

The personnel work done under the direction of the Secretary of the Commonwealth has been vitally important. Not only did he make, through men working under his supervision, the classification of employees for submission to the Executive Board, but the work necessary to enforce the classification, to build up and sustain the morale of the workers, and to look after their safety and comfort, and especially the safety and comfort of the women, has all been done under his direction.

Under his direction also the Coal and Iron Police, which was filled four years ago with thugs and criminals exercising the police power of the State by commission from the Governor, was thoroughly investigated and purged. The practice of issuing commissions to men of whom nothing but their alleged names was known was stopped, with a revolutionary change in the character of private policemen in this State.

This very brief outline shows how new tax burdens to pay off old debts were avoided, how the debt was paid off, and how an effective modern system of finance and fiscal control under the Governor was established. Thus it was demonstrated that by cutting out politics and political deadheads the business of the State could be better conducted for far less money. The Budget, effective fiscal control, and intelligent fiscal planning did the work.

DEPARTMENT OF JUSTICE

Under George W. Woodruff, Attorney General, the Department of Justice has carried on an amount and variety and quality of work during these four years that has never before been approached.

The greatest single achievement of the Department during this time was the substitution of a broad for a narrow view of the law. The view most common among lawyers, and most often followed in public life, is that public officials, to perform their full duty, need and should do nothing that is not specifically required of them by the law. This means that they merely follow the letter of the law by rote, and that the public interest is correspondingly neglected.

The point of view adopted and enforced by the Department of Justice during this Administration is the same as that adopted and enforced by President Roosevelt upon the recommendation of the present Attorney General of Pennsylvania, then an Assistant Attorney General of the United States. It is that a public official is bound to do everything that the welfare of the people demands and that can be accomplished without violation of existing law.

This policy has made the Department of Justice during these four years the active and intelligent defender of the public rights. It was followed in all the endlessly varied and complicated questions which have come before the Department, and especially in advising the officers, boards, commissions, and departments of the State Government to do whatever the public interest required wherever the law did not stand in the way.

The vigorous application of this policy necessarily brought the Department of Justice into active conflict with many interests antagonistic to the public good. It is a matter of great pride to me that in the very numerous, complicated, and important cases at law in

which the Department of Justice has been concerned, the vast majority have been decided in accordance with its contentions.

This is, however, nothing new. The present Attorney General, while in the service of the Federal Government, initiated important conservation litigation in nine cases involving new interpretations of law. All nine were carried to the Supreme Court of the United States. All nine were decided in his favor, and all but one by unanimous vote.

The Administrative Code, prepared in the Department of Justice by Deputy Attorney General Schnader, has brought high and well deserved credit to the man who drew it. In its influence upon the Government of the Commonwealth it is the most important single enactment in many years. It reconstructs the State Government throughout. It assembles under eighteen departments and three independent commissions more than one hundred independent spending agencies which previously were responsible to no one but the Governor. In general, it substitutes for the previous haphazard and unworkable frame of the State Government a compact, efficient, and workable business machine.

The constitutionality of the Code when attacked was defended by the Department through Mr. Schnader and has been affirmed by the Supreme Court of the State. At the same time the practical character of the reorganization effected under the Code has been proved by four years of sound, productive, and economical business administration.

Much time and effort were consumed during the first part of this Administration in defeating the wholly unjustified attempts of the elective fiscal officers to make themselves independent of the official opinions of the Attorney General, in spite of the clear provisions of the Act of June 7, 1915, and their re-enactment in the Administrative Code. These efforts were finally and completely defeated, as they deserved to be, by decisions of the Supreme Court of Pennsylvania. If they had succeeded, the effect would have been to permit the fiscal officers, who have no proper means of doing so, to interpret the law to suit themselves, and would have made any effective business administration of the State Government wholly impossible.

The enforcement of the Eighteenth Amendment, under the generous and patriotic gift of the women of the W. C. T. U., which took the place of the money refused by the Legislatures of 1923 and 1925, has been a most important part of the Department's work. Further comment upon it will be found below.

Much time and attention were given to the interpretation and defense of the Securities Act, under which the Securities Bureau of the Banking Department in a single year excluded $500,000,000 of questionable securities from the State of Pennsylvania.

The reorganization of the State Government made necessary much more than the usual attention to the legal needs of the several Departments, while membership on numerous boards and commissions, including the Giant Power Board and the Alcohol Permit Board, has taken very much of the Attorney General's time.

Other matters which deserve mention are the legal questions concerned with the Delaware River Bridge; the enforcement of the Anthracite Coal Tax, during which proceedings the position of the Department was twice sustained by the Supreme Court of the United States; and the immense amount of litigation due to the efforts to escape taxation under the provisions of our numerous tax laws.

An achievement of the Department which will have far-reaching effects upon the future of the State was the formulation of a completely new water power policy for the State. The laws into which this policy was crystallized were drawn by Deputy Attorney General Philip P. Wells, who, with the Attorney General himself, had the largest hand in the formulation of the national water power policy now embodied in the Federal Power Act of 1920. Thanks to these laws, Pennsylvania is now not only on a par with the Federal Government in the protection of the people's right in this great natural resource, but in some respects ahead of it.

The new policy has powerfully stimulated development. Two large water power projects have been approved, one of which is in operation and the other under construction. For the first time in the history of the State permits for dams for industrial use now contain provisions safeguarding the right of the public to use the waters for fishing and other recreation.

The Department has collected $7,250,000 in fees and taxes during the four years, or about 15 times as much as its total cost to the taxpayers. This amount would have been very largely increased if the Legislature had not refused to add to the appropriation of the Department as requested, although it knew that such addition would result in the collection of additional funds many times greater in amount than the additional appropriation.

Instead of employing special attorneys at heavy cost, the Department has carried through the litigation before it, whenever possible, with its regular force, thus saving the taxpayers many hundreds of thousands of dollars. It has pursued this policy with success up to the Supreme Courts of Pennsylvania and of the United States, and has thus proved its wisdom as well as its economy.

I desire to express my personal judgment that the opinions of the present Attorney General stand wholly by themselves in the benefits they have secured for the taxpayers of Pennsylvania and for the people generally.

LAW ENFORCEMENT

In January, 1923, Pennsylvania combined, as did no other State in the Union, the three great sources of illegal drink—whiskey, alcohol, and beer.

More whiskey was stored in the Pittsburgh U. S. Revenue District than in any whole State except Kentucky; scores of crooked alcohol concerns were running in Philadelphia under Federal permit and were diverting into bootleg channels millions of gallons of poison drink each year; and 156 breweries were pouring out illegal high-powered beer all over the State.

The Federal Service for enforcing the Eighteenth Amendment, with its entire control over the sources of illegal drink, had broken down not only disgracefully but dishonestly. Its principal officials in Pennsylvania, having been selected for their known character, were under indictment for crime. United States District Attorneys, especially in Pittsburgh and Philadelphia, had encouraged the big liquor law violators by their inaction and worse, and had dispelled all fear of punishment under Federal law.

The dominant political machine in Pennsylvania was and had long been intimately tied up with the liquor interests, which also controlled many local machines, and notably those of the two great cities. Habitual violators of the Eighteenth Amendment with political pull were entirely confident of being let alone, and an unworkable and insincere State statute gave official protection to law breakers by providing for licensed saloons to sell beverages with only the legal content of alcohol.

In consequence saloons running openly everywhere under State license were defiant of all law, and boldly sold whiskey and high-powered beer to any customer.

Most important of all, there was no State enforcement law under which to deal with liquor law violators or compel respect for the Constitution of the United States.

Pennsylvania was wet and wide open when I came into office in January, 1923.

In my inaugural address I made this definite statement:

> This Administration will be dry. The Executive Mansion will be dry, and the personal practice of the Governor and his family will continue to be dry, in conformity to the spirit and letter of the Eighteenth Amendment.
>
> The law is the law. It is the foundation of order, safety, and prosperity, and of the Commonwealth itself. Every State official takes oath, and is in honor bound, to obey it. I shall expect and demand from every public servant appointed by me, or subject to removal by me, from the highest to the lowest,

entire and ungrudging obedience to the Eighteenth Amendment and the Volstead Law. They are part of the law of the land.

This pledge has been kept, and I have appointed no man or woman who had not before appointment given me their word to support, defend, and personally obey the Constitution of the United States, including the Eighteenth Amendment, and all laws, State and National, enacted to give it effect.

Thus all doubt as to whether or not this Administration proposed to stand by the Constitution of the United States was removed at the start.

The Armstrong-Snyder Act, an Administration enforcement measure, passed after hard fighting, and with a margin of but two votes in the House, was signed by the Governor on March 27, 1923. It brought the law of Pennsylvania in harmony with Federal enforcement law and it abolished the licensed saloon.

THE W. C. T. U.

Other Administration bills dealing with breweries and alcohol distilleries were defeated by the same Legislature which also refused my request for $250,000 to enforce the Federal legislation and the Armstrong-Snyder Law. Thereupon the women of the W. C. T. U., under the active militant leadership of Mrs. George, their President, offered to provide what the Legislature had refused, and to raise the funds needed to enforce the law and compel respect for the Constitution. What they thus offered they have in fact performed.

I am not aware of a more public-spirited, self-sacrificing contribution to the public welfare by any body of men and women than this. The members of the W. C. T. U. are for the most part in moderate circumstances, and the raising of nearly $150,000 was a great achievement.

Furthermore, the W. C. T. U. has stood forward throughout my term as the one State wide dry organization of whose position there was never any doubt. It was always ready to fight for its principles with courage and common sense, and it never hesitated because of the personal or official position of those who opposed it. There are no better fighters for righteousness than Mrs. George and the women of the W. C. T. U.

THE SALOON

The campaign carried on during this Administration with the help and the fund of the W. C. T. U.; with the indefatigable and indispensable assistance of the State Police; with the cooperation of law enforcing officials in many, but by no means in all, parts of the State; and with the devoted and untiring guidance and help

of Major William Burnet Wright, Jr., special counsel in charge of this work, has produced the following concrete results.

The licensed saloon has been driven from Pennsylvania. The most effective method ever employed against law breaking saloons, breweries, and distilleries has been adapted to Pennsylvania conditions and finally fought through the Supreme Court and upheld by it. This is the method of padlocking under injunction. It is now available as a proved efficacious remedy to every law enforcing loyal official in Pennsylvania.

We have used this method in twelve of the wettest counties. Proceedings for 228 injunctions were brought, 228 temporary injunctions were secured, and final orders wiping out the saloons were obtained in 177 of the 187 cases tried to date. Evidence was also secured or papers prepared in 180 other injunction proceedings against lawless saloons, and 100 contempt proceedings were initiated, or a grand total of over 500 cases.

Every city of over 3,000 population, and every small community where the saloon was a problem—over 230 in all—, was carefully surveyed, and more than 6,000 separate visits were made to law breaking saloons. The information thus secured was effectively used. A recent check-up shows the following results:

For this check-up thirty-three cities and towns were selected to include the worst parts of the State. In these the locations of 665 saloons which our inspectors had visited and seen openly breaking the law in 1923 were revisited in the autumn of 1926. Four hundred and three of them, or nearly two-thirds, were closed and gone.

Today the drinking places that still remain are not open saloons but furtive speakeasies, and in nearly every case they are suspicious of strangers and afraid of being caught. Even the speakeasy as a serious problem does not exist in forty-two counties covering more than two-thirds of the area of the State.

BREWERIES

The breweries presented a most serious problem. This was partly because of the expensive spy system they maintained and because of the difficulty of proving anything against a brewery which had the right under its permit to make strong beer and then remove the excess alcohol to make near-beer. But the main trouble was with the Federal Government, which insisted, against my vigorous protest, in continuing to issue permits to breweries we had caught violating the law. In some cases we caught them seven times before we could get them put out of business.

But in spite of these and other troubles, out of the 156 breweries that were operating in January, 1923, ninety-five, or nearly two-thirds, are gone. Of the sixty-one still running in the State today, fifty-one are operating under Federal permit.

ALCOHOL DISTILLERIES

The trouble with the alcohol men was even worse. The Federal Government continued to issue permits, and to restore permits, to distillers, denaturers, and users of alcohol who were known, some by the reports of its own agents, and some by convictions in court, to be engaged in violations of the law. At first the exposure of these facts had little effect. But repetition finally wore down in part the refusal of the Federal authorities to enforce the law, and over forty illegal alcohol concerns, which in 1923 were diverting over one million gallons a year into bootleg channels, have been put out of business.

In the session of 1925 all Administration law enforcement measures were defeated, including the appropriation of funds to carry out the law. But in the special session of 1926 the Alcohol Bill was passed.

This is the most important enforcement measure yet secured in Pennsylvania. It creates the Alcohol Permit Board, which has the right to permit or not to permit alcohol distilleries to operate, together with the right of complete inspection at any time. It has also the same powers over breweries, as well as the right to the fullest information about the business of each concern.

The operations of the Alcohol Board in revoking the permits of law breaking breweries have had the most healthful effect in restraining these sources of illegal drink. If continued and properly supported, the Alcohol Board will do more to make Pennsylvania dry than any other one agency, not even excepting the State Police.

DEPARTMENT OF PUBLIC INSTRUCTION

When this Administration came into office important advances had already been made by the Department of Public Instruction. The value of these advances had, however, been reduced by three very serious evils.

The first was its policy of coercing instead of cooperating with the local school authorities; which led to deep resentment and killed the chance of mutual helpfulness.

The second was the inability of the Department, because of lack of cash in the Treasury, to pay their subsidies to the school districts on time; which forced the local school authorities to borrow money, induced them to economize at the cost of the children, and led to general discouragement.

The third was the ill-balanced and ineffective organization of the Department; which led to serious short-comings in carrying out its work.

The policy of coercion has been abandoned and cooperation has taken its place. This was the late Doctor Becht's great contribution as Superintendent of Public Instruction to the progress of education in Pennsylvania, and it has been continued unbroken by Doctor Haas, his successor. As a result local discontent has disappeared and the public school system of Pennsylvania has become a truly cooperative enterprise, without sacrifice of standards.

At present our public school system brings together in harmonious relations the Department of Public Instruction, the county and district superintendents, local boards of school directors, various community organizations interested in education, teachers and parents, and all the other State Departments whose work touches education in any way. As never before, local school districts have been given and have taken their share of responsibility in making the public schools of Pennsylvania fully equal to the best. Thus my pledge of home rule in education has been carried out.

On August 1, 1925, February 1, 1926, and August 1, 1926, every payment due to a school district from the State was made on the dot because the strictest economy had saved the money necessary to pay them. The effect in creating good feeling among the local school authorities was remarkable, to say nothing of the immense advantage to the children through the better business management of the schools.

The Department has been run with economy. The reduction of 12-1/2 per cent in the cost of administration is very noteworthy, in view of the additional responsibility and the increase of 50 per cent in the funds to be administered. During the four years over one hundred million dollars have been handled on a sound pay-as-you-go basis. Deficits have been wiped out.

In 1921-23, $43,500,000 was available for education, of which $3,000,000 went for old debts; in 1923-25, $62,000,000 was available, of which $6,000,000 went for old debts; and in 1925-27 more than $67,000,000 was available, and only $140,000 went for old debts. These increases are due to the Edmonds Law, passed before this Administration came into office. But we have found the money to pay them.

In 1923, by amendments to the Edmonds Act made at my suggestion, the State's contribution to the cost of teachers' salaries in the poorer districts was increased from 50 to 75 per cent.

For the first time in the history of Pennsylvania, education and care for handicapped children, including blind children, is now adequately supplied. Educational opportunities for immigrants, illiterates, and other adults have been extended and greatly strengthened, while vocational schools and departments have increased in number and efficiency.

As a result of a thorough cooperative study of the needs of rural schools, Pennsylvania is well on the way to the progressive development of a program of rural education that will make the country schools of this Commonwealth second to none.

During this administration the Department of Public Instruction has been reorganized throughout under the Administrative Code. Its organization now follows accurately the work it has to do, and there are no more of the twilight zones of responsibility which are so fatal to good administrative work. In this respect the Department is fully on its feet.

The reorganization of the Department brought together for the first time all the various agencies in the State that have to do with public education. Because of it, the Department has been able to develop and maintain a unified State-wide program with thoroughly satisfactory fiscal and professional standards, and with admirable results.

Moreover, a very careful study of the schools of the State, including graded schools, high schools, rural schools, and vocational schools was made by committees consisting of the best equipped specialists it was possible to secure both in Pennsylvania and outside. Taken as a whole, their recommendations were most valuable, and they were given full consideration and great weight.

Our school buildings and their equipment are better and in better condition than ever before, with the resultant wholesome effect upon the health, attendance, and progress of the children.

The quality and competence of school teachers has greatly increased as shown by higher standards of certification, increased enrollment in summer schools for teachers, and increased attendance at the State Normal Schools.

THE GANG AND THE SCHOOLS

Four years ago many of the State Normal Schools were in deplorable condition. That question was vigorously taken up, and the schools have grown in number of students, in condition, and in the efficiency with which they do their work. Nevertheless they are still far from able to meet the annual demand for trained teachers, to the serious injury of the common schools. This condition is due to the refusal of the Legislature to make adequate appropriations for Normal Schools over a series of years.

In 1925 an unspeakable attempt was made by gang politicians in House and Senate to cut $7,000,000 from the appropriations of the common school system of Pennsylvania, including a million and a half from the Normal Schools. The money was available, and it was most urgently needed. Therefore the only possible motive for this conscienceless attack on the school children of Pennsylvania was politics.

The Administration joined with the school people of the Commonwealth in a protest so vigorous that the political leaders weakened before it, and the whole sum, with the exception of $750,000 for the Normal Schools, was eventually restored. One effect of this indefensible attack on the school system of Pennsylvania was to strengthen immeasurably the good relations between local school authorities and the Department of Public Instruction.

In conclusion, the Department of Public Instruction has rendered its capable and constructive service to the educational agencies of the State with a sympathy and wisdom and a regard for the principles of home rule which have commanded the respect and cooperation of the educational leaders of the Commonwealth, and attracted the attention of national leaders as well. Public opinion has not in many years supported the Department as it does today, and the result is that the public schools of Pennsylvania are better than they ever were before.

NATIONAL GUARD

The National Guard of Pennsylvania is today at a higher point of morale, equipment, and organization than at any other time in its history. It has increased its efficiency so markedly as to attract national attention. Frequent reference is being made to the Pennsylvania National Guard by the War Department as a model organization.

Infractions of discipline are less than 20% of what they were, which is high proof of an improved morale. The system of property accounting established since 1923 has been accepted by the Federal Government as ideal. The War Department frankly calls it the Pennsylvania System, and recommends its use to other States.

Indeed, the progress made in both personnel and organization has brought to the Pennsylvania National Guard official recognition throughout the United States as one of the very leading organizations of its kind.

During this Administration, Pennsylvania has become one of the four States which has a complete Division as authorized by the National Defense Act, and one of the two States in which this Division is completely organized. Recent inspections of the Pennsylvania Guard by Federal authorities have brought nothing but favorable comment as to equipment, organization, and training.

Improvement in the morale and conduct of the men at the annual encampments has been most marked during the past four years. The responsible officers attribute the improvement to the much stricter enforcement of prohibition under this Administration, and to its refusal to promote members of the Guard who were known to have been guilty of infractions of the liquor laws.

Men at the camps are very seldom absent without leave, and the Commanding Officer states that he cannot recall, during the last three years, a single case due to intoxication in which a man was arrested, tried, and punished. The result is greater efficiency as a military force and a better spirit between officers and men.

Because commissions are now made permanent and are conferred only after examination, and because the increased prestige of the Guard makes commissions more desirable, the peace-time officer personnel is undoubtedly at the highest point in the history of the Guard.

DEPARTMENT OF AGRICULTURE

Agriculture is not only the one indispensable industry, but it represents a larger investment of capital than any other industry in Pennsylvania, with only a single exception.

The annual gross income of agriculture in Pennsylvania is more than half a billion dollars, and is produced on 200,000 farms.

Because this Administration realized these facts from the start, it attached great importance to the work of the Department of Agriculture, and appointed at its head a man who knew the farmer's needs because he was not only actually earning his living on his own farm when appointed, but also because he had for many years been a most successful leader of farmers in business enterprises of great scope and importance.

This Administration has promoted cooperation among farmers because it is the key to agricultural progress. In 1923 the Department took the lead in the formation of the State Council of Agricultural Organizations, which, acting as a central voice for agriculture, has made noteworthy contributions to the solution of farm problems.

Tuberculosis among cattle is a dangerous threat to the health of children as well as a cause of loss to the farmers. More money was made available during the last four years for eradicating cattle tuberculosis and more herds were thereby freed from the scourge than during all previous years combined. Forty per cent of the cattle in Pennsylvania have already been tested, and if the work is continued tuberculosis can shortly be driven out of the herds of this State.

Hog cholera has been practically conquered, and a plan for control of bovine abortion, which causes a loss of several million dollars a year, has been developed and is in practice. More dogs by 150,000 were licensed in 1926 than in 1922. The fees go to help the children by paying for tuberculosis eradication.

Peach yellows in important peach growing counties has been reduced to one-tenth of what it was in 1921; potato wart has been held

in check; and the spread of the Japanese beetle has been efficiently combatted.

The Department gives valuable service through its market reports, which now have a daily distribution of nearly three million; through its shipping point inspection, which covered 1,500 cars of peaches, apples and potatoes in 1926; through its successful effort to establish a home market for Pennsylvania wheat, which is now on a par in price with the best winter wheat of the West; through its assistance to cooperative organizations, which have grown in strength, membership, and financial standing; and through its poultry and egg marketing work begun since 1923.

Since 1924 the Department has been cooperating closely with the Federal Government in the gathering, compiling, and distribution of crop and live stock reports. Special reports are also made on intentions to plant, which guide the farmer in allotting acreage to different crops, and are most valuable in avoiding a disastrous surplus.

By the constant vigilance of the Department, the food supply of the State has been brought to the highest standard of purity ever reached. Over 400,000 inspections of food products were made during the last four years.

Through the cooperation of many agencies, including the Department of Agriculture, the State Farm Products Show has doubled in size and in the number of affiliated organizations since 1922. It is now the largest winter show of its kind in the United States.

In 1925 the Department, as authorized by the Act of 1895, made the first study of farm taxation in the State, which has furnished the facts upon which to build a program of relief measures for the farmer, the need of which is gravely and rightly felt in many sections.

During the four years of this Administration the expenses of the Department were covered within one million dollars by the revenues created, while of the total expenditure about half was returned to the farmers for indemnities and premiums at fairs. In view of the work done, the cost to the taxpayer is negligible.

DEPARTMENT OF FORESTS AND WATERS

For the first time since extensive lumbering began in this Commonwealth, forest growth has caught up with and now exceeds the loss from fire. This is directly due to our effective State-wide forest fire organization, which is today the best in the United States, not even excepting that of the Federal Government.

The true test of efficiency in such an organization is the size of the average forest fire. In these four years it has been reduced to

48 acres. The best previous record was 78 acres in 1921. For 1916-1920 it was 142 acres, and for 1913-1915 it was 339 acres. Pennsylvania now has an admirable system of fire towers, and more than eight hundred forest fire wardens have been added during this Administration.

Upon my urgent recommendation, the Legislature twice passed a resolution to authorize a bond issue of $25,000,000 for the purchase of forest lands. No other State has initiated so comprehensive a plan of State Forest acquisition, and none needs it more. Although the time is near when we must depend on our own supplies or go without, Pennsylvania now grows only one-fifth of the timber she uses.

The largest number of forest tree seedlings ever distributed by the Department in one year (10,000,000) were sent out in 1926. In 1927 this large figure will be doubled.

The State Forest School at Mont Alto has been made from an academy into a full professional school. It has been raised to an entirely new level and is now well able to compare with any of its fellows. The course has been increased from three years to four, and graduates of the school now receive the degree of Bachelor of Science in Forestry. A new building with a capacity of one hundred students is about completed.

Pennsylvania is the only State which maintains a special forest research organization. The activities and the accomplishments of this organization have at least doubled during the four years, and as a result for the first time Pennsylvania foresters are beginning to make important contributions to the literature and the science of forestry, as well as greatly to improve their handling of our own forests.

Forestry has made immense progress in Pennsylvania during the last four years. The business men of Pennsylvania have come to realize that no business whatever can be conducted without the use of wood, while the cooperation of the organized hunters and fishermen in the detection and prevention of forest fires deserves the highest praise. The need for forest protection is an accepted fact in this Commonwealth.

The use of the State Forests for hunting, fishing, and camping has enormously increased. Twice as many permanent camp sites are now leased on State Forest land as in 1922. Almost five times as many people now visit the State Forests for recreation as in that year. Tourist camps to the number of 25 have been added, the forest roads now cover 1318 miles and trails 2544 miles; and the State Forests are steadily taking a larger and more important part as the playgrounds of the people.

If the acquisition of the best fishing waters of the State by private clubs goes on at its present rate, the only hope of the unprivileged fisherman will be the open waters on State Forest lands.

The total income from the State Forests during the last four years almost equals the total for all the years from 1900 to 1921. As the State Forests come into better production, these receipts, most of which go to the school fund will, if the State Forest bond issue is passed, ultimately bear a very considerable percentage of the total cost of the common schools.

GEOLOGICAL SURVEY

The Administrative Code transferred the Geological Survey to the Department of Forests and Waters, with a great resulting increase of its very useful activities. In particular, its value to the public has been enlarged many fold by the publication of fourteen manuscripts based upon extensive field studies and investigations, some of which had been withheld for many years.

Under executive order, and upon recommendation of this Department, an inter-departmental Board of Surveys and Maps was created to coordinate the mapping of all State Departments, and a new base map was prepared under its direction to meet an urgent need.

DEPARTMENT OF LABOR AND INDUSTRY

When this Administration began perhaps the worst example of how gang politics is paid for in human life, in any of the Departments responsible to the Governor, was in the Department of Labor and Industry. It is the principal duty of this Department to protect the lives and the health of workers in the industries of Pennsylvania. It could not do that and play politics too.

The factory inspection service, in particular, with the safety of millions of workers in its charge, was in politics up to its neck. For that service any worn out political hack was considered good enough. Even the protection of human life played second fiddle to the advantage of political insiders.

The outstanding achievements of the Department of Labor and Industry have been the elimination of politics from its decisions and appointments, and the development of professional service in its operations.

Today the factory inspection service has been completely made over. What efficient men had crept in have been retained. The corps has been put on a professional basis, and thereafter no one has been appointed to it who did not have the technical training necessary to make him thoroughly effective in his work of conserving lives.

Politics has no place where the safety and health of the workers of the State are concerned, and it has been eliminated from this Department. Both employer and employee, it has been conclusively proved, now desire this Department to be operated on an impartial, professional, and non-political basis.

As a result of the standards of inspection which have been maintained, there has been in Pennsylvania a steady decrease in the number of industrial accidents over which this Department has supervision. At the same time such accidents have shown a marked increase in practically every other large industrial state.

Complete revision of the safety codes enforced by the Department was undertaken. Twelve codes have been revised and nine new codes adopted with the complete co-operation of the industries affected. The adoption of these codes will result in decreased industrial hazards in the years to come. In several cases Pennsylvania codes have become the model for adoption in other states.

A Bureau of Women and Children has been established to make studies of conditions of employment of these groups and to supervise industrial home work. It has done admirable service. When unregulated, this work was becoming the outstanding evil of the industrial life of this State. Intelligent amendment of the women's and child labor laws will hereafter be possible in Pennsylvania because of the information which this Bureau will make available.

A Bureau of Statistics has been established which provides much needed current data on industrial and employment conditions within Pennsylvania, in addition to developing statistics concerning the operations of the Department.

In place of a disorganized Department whose bureaus, at the beginning of this Administration, were frequently at loggerheads, there now exists a co-ordinated Department operated strictly for the benefit of the people of the State, and not for the benefit of any particular group. The high professional standards now obtaining constitute the outstanding contribution which this Administration leaves in this Department to its successor.

DEPARTMENT OF HEALTH

The Department of Health was honeycombed with politics when this Administration began. Its employees were used in campaign attacks upon candidates opposed to the gang, and in many of the institutions under it, but not in all, political favoritism was rampant.

During these four years the Department of Health has been taken out of politics, its employees now work for the State and not for politicians, their employment has been put on a basis of merit in-

stead of pull, and the result is plainly seen in the immense increase in the quantity and quality of service rendered to the Commonwealth. This Administration has declined to let the health of our people continue to be the plaything of politics.

With the elimination of politics and the reorganization of the Department, its work has everywhere increased in efficiency, and the administration of the hospitals under its charge has been greatly improved. In the State Sanatorium at Cresson, Pennsylvania has now and has long had one of the most intelligently planned and best administrated institutions in the United States.

Heretofore efforts to improve the public health have been largely confined to the cities. During the last four years special attention has been given to health work in the country, formerly seriously neglected. The inspection of children in country schools has been put on a wholly new basis by the employment of State nurses equipped with automobiles, and corrections of defects have already been secured in thirty per cent of the children examined. Field laboratories have tested 4,363 water supplies, much less than half of which were found to be safe. A traveling health car and a traveling chest clinic have been exceedingly valuable for the discussion they occasioned, as well as for the actual work they did.

Some 400 untrained health officers in rural districts have been replaced by 36 full time men trained in the United States Field Service Medical School at Carlisle. This is real progress.

A crippled children's hospital was provided for in 1925, and is now under construction near Elizabethtown.

The sanatoria and dispensaries conducted by the Department have been operated to full capacity, with the exception of a few months in 1923, when the abandonment of the Veterans' Bureau contract made it necessary to close a part of Mont Alto. Since January 1, 1923, 13,500 patients have been admitted to the sanatoria, of whom nearly 3,000 were children.

During these four years the death rate from tuberculosis has fallen 13%, while the general death rate has been reduced from 13.3 in 1923 to 12.4 in 1926.

No less than 450,000 children have been immunized against diphtheria by the Department of Health in the last four years. In consequence the death rate from this disease has been reduced 50 per cent.

The State had no regulations covering the collection and handling of milk, and because of that many children died. In 1923 the Department of Health made good the lack. In consequence a model milk ordinance was adopted by 100 municipalities, and two traveling laboratories have made more than 25,000 tests.

DEPARTMENT OF HIGHWAYS

During the past four years the Department of Highways has built more miles of good road than were ever constructed during a similar period by any highway organization in the world, or than were built during the entire previous history of the State Highway System.

During the four years the Department supervised the construction of 4500 miles of major road work, 2700 miles of new pavement, 250 miles of replacement, 1400 miles of resurfacing of worn out stone roads, and about 150 miles of grading and drainage, the paving for which has been provided for. In addition about 400 miles have been put under contract for paving and about 50 miles for grading and drainage, most of which would have been completed had it not been for the exceptionally rainy season of 1926.

The Department has supervised the expenditure of more than $260,000,000 on road work without a single breath of scandal. Under the method of financing highway work advanced by this Administration and approved by the Legislature of 1925 the users of the highways, through motor license fees and the gasoline tax, are now paying the entire highway bill.

By driving out politics and making competence instead of pull the test of employment, the Department has maintained the roads under its charge better than they were ever maintained before.

Before this Administration came in county superintendents of highway maintenance were required to have political endorsement. As a result they were generally incompetent. Appointments now go only to men who know their job. Since these men have charge of the expenditure of approximately $15,000,000 a year on 12,000 miles of road, what taking them out of politics means to the people who use the roads requires no comment.

New roads are no longer the subject of barter among politicans. Where a new road shall be built is determined by actual count of traffic, and the type of road is determined by the character and quantity of the traffic and the estimate of future needs.

With the exception of some twelve miles which are subject of negotiation, the Department has completed or contracted for the 1130 miles of road necessary for the completion of the primary highway system.

In addition to the primary system, about 1200 miles of unimproved highways on the secondary state highway system have been paved or are under construction. The assistance given to the counties during this Administration covers 460 miles of state-aid construction and more than equals the total for the four preceding Administrations.

This Administration also allocated $10,000,000 of the last $50,000,000 bond issue to be used on the state-aid basis of 50 per cent from the state and 50 percent from the county for secondary roads. In addition to the paving of 450 miles of road thus made possible, 445 miles, wholly at the expense of the counties, have been built or are under contract under the supervision of the Highway Department, or about twice the mileage of the preceding four years.

The appropriation of $3,000,000 from the motor license receipts during the present biennium for township reward work is the largest ever made. To this should be added about $1,300,000 of old township reward appropriations, long made but never paid, or a total of over $4,300,000 for township reward work for the present four years. This is more than was spent during the two previous administrations.

The safety and convenience of the traveling public has been advanced during these four years as never before. White traffic lines are painted on the pavements on all curves and on hills. Twenty thousand sign posts and warning signs have been erected, and reflectors have been placed at dangerous locations to make night driving safe. About 700 miles of guard rail of a most efficient design have been built in dangerous places. Many miles of narrow and dangerous roads have been widened, and the warning markings at dangerous crossings have greatly promoted the safety of highway travel.

The completion of the annual oiling program before July 1 of each year (during the last two years before June 15), instead of carrying it through the whole working season, is a most important advance. This change, together with the oiling of the roads in half widths and the immediate covering of the oiled surface with stone, has been of great benefit to travelers, and so has the oiling of the more important earth roads to eliminate dust.

So also has the new practice of constructing roads in half widths where justified by the traffic. Where that is not practicable, the Department has undertaken to maintain suitable detours on local roads, together with adequate markings to prevent the motorist from losing his way. Not a single complaint was received in 1926 indicating that a motorist had lost his way on a Department detour.

Safety on the highways is the biggest highway problem of the present day, and must be given right-of-way over all others. About 1,700 persons are being killed in Pennsylvania each year through automobile accidents, a large percentage of which is due to careless and reckless driving and glaring headlights.

The safety of the traveling public has been better guarded than ever before by the establishment of the Highway Patrol, which, through an intensive and successful campaign to prevent dangerous

driving and to eliminate glaring headlights, has immensely reduced reckless driving on the highways of the State. The examination of applicants for driving licenses by the Highway Patrol has cut down the number of incompetent and therefore dangerous drivers.

One thing that the replacement of dirt by hard surface in the last four years means to the motor vehicle owners of Pennsylvania is an annual saving of $29,000,000 in the cost of operating their automobiles. Deducting the annual charge, interest, and sinking fund on the investment and the maintenance cost due to this construction, this means a net saving to the people of the state of nearly $18,000,000 annually. An additional $7,000,000 a year in reduced motor vehicle operating costs and in annual charges and maintenance on 145 miles of construction has been saved by relocations, which shortened the roads by this distance.

Another saving of $12,000,000 (an average of $5,000 per mile on about 2400 miles of concrete road completed or under way) is due to a new type of design, which in addition gives a pavement of greater strength and durability than under the old design.

During this Administration the State undertook to see that 6,340 miles of the 8,000 miles of paved roads on the State system are kept cleared of snow and open to travel throughout the winter. Before 1923 there were only 1,400 miles on the snow removal program. The Department does not wait until a storm is over, but begins the removal work the moment snow reaches a depth of two inches.

The Department has published a map of the highway system and important local roads expressly suited to the tourist; has distributed 500,000 copies of the Tourists Guide, said to be the best ever published; and sends weekly throughout the State a map of detours in operation.

By a simpler and more direct procedure, vexatious delays in the issuance of motor licenses have been removed, and the cost of getting them has been reduced.

The Department of Highways has been completely reorganized during this Administration, and special attention has been given to building up closer and more cordial relations with the thousands of its employes. The result appears in a degree of efficiency never before approached.

DEPARTMENT OF WELFARE

During the past four years the Department of Welfare has been reorganized and put on its feet. When this Administration came into office it was but eighteen months old and was still very much in the embryo stage. Now it is a growing concern with a complete organization, sound and modern business methods, and definite achievements to its credit.

Chief among these is the revolution which has been accomplished in the penitentiaries of Pennsylvania since the beginning of 1923. The conditions at that time were appalling. The administration of the prisons was political in the worst sense of that term, and the buildings were unclean, disorderly, and filled with dope-users and dope-peddlers, and with idle men. Whiskey and alcohol were easily available and immorality was rampant.

Today it is within the truth to say that our prisons and reformatories, in spite of antiquated buildings, are second to none in the United States. The complete change of trustees in these institutions has resulted in four years' time in a peaceful revolution. The prisons are now orderly, clean, free from dope-users and dope-peddlers, free from whiskey and alcohol, and the morality of the inmates has enormously improved from every point of view.

This is largely due to the development of prison industries in harmony with policies approved by the Federation of Labor and the National Chamber of Commerce; to the development of handicraft; and to the utilization of maintenance work for the purpose of trade training. Trade training is further advanced in our prisons than in any other prisons in the United States.

The prison industries are diversified and now cover not less than a dozen different lines. Moreover, not one penny of the taxpayers' money has been spent in the development of these industries during this administration. Their working capital has been earned by the industries themselves, while at the same time wages have been paid to the prisoner-workers, as well as to the men engaged in the maintenance work of the prisons.

The Welfare Department now has full control of its own business. In the reorganization of the State Government, under the Administrative Code, the twenty-seven State Institutions in the fields of mental health, corrections, and charities were made integral parts of the Department. Subsequently, there were added as individual parts within the Department, the State Council of the Blind and the Alcohol Permit Board.

The expenditures of the Department, including the institutions under it, are in complete budgetary control, with this effect: In 1923 every State Welfare Institution, except the Hazleton State Hospital, showed a maintenance deficit. The year 1927 will show but one such deficit, and that one justified by the needs of sick people which had to be met.

State appropriations to private hospitals were formerly handled strictly on a basis of politics. Under the old plan appropriations as measured by days of free patient treatment varied among hospitals from 3 cents to $4.32. Today payment is made on a basis

of absolute equality between hospitals of the same class, at the rate of $3.00 per day, or at the actual cost if less than $3.00—all to the chagrin of the politicians and the great financial advantage of the hospitals, which are no longer obliged to "show a deficit" in order to be paid for the service they render.

The Commonwealth of Pennsylvania no longer plays politics with the needs of sick people, defectives, or prisoners. This is a great step toward eliminating the most effective instrument of corruption used in the Legislature during my time. That is the power to punish Legislators who refuse to go along by cutting down appropriations to their local hospitals or other charitable institutions, or to increase appropriations even beyond reason for Legislators who do go along.

The preparation and adoption of a greatly improved mental health code marked a most important forward step toward the solution of a problem of vast and growing consequence to the people of Pennsylvania.

The enormous wealth of social statistics of Pennsylvania found in annual reports covering state, county, state-aided, and private welfare agencies has for the first time been vigorously studied and publications based upon it in the field of hospital and poor law administration and child welfare have attracted nation wide attention.

In its relation to local institutions subject to its inspection but not administered by it, of which there are 898, the Department has adopted for its slogan "Home rule in welfare work," and has endeavored to help public officials and trustees of private charitable undertakings to develop their own work for themselves upon proper lines. As a result, the alms house, jails, and children's homes of the State have attained (in spite of certain specific exceptions) a general level of excellence never before reached. My own personal inspection of some three or four hundred State and State-aided hospitals, institutions, and agencies during the summer of 1925 enables me to speak on this point.

The number of mental health clinics has been increased from 20 to 51 in the past four years. This will result in reducing the number of patients requiring institutional care, while the increase in occupational and musical therapy will provide a larger percentage of recovery and parole and thus reduce institutional overcrowding. The number of patients on parole has doubled in the four years—thus making available for new patients more than twelve hundred new beds.

Great attention has been given to the work of the Mothers' Assistance Boards. During this administration the appropriations for this work, whose purpose is to keep children with their mothers instead of sending them to institutions, were increased 75%. In my opinion no money is spent by the Commonwealth of Pennsylvania which produces a higher return.

STATE POLICE

The Commonwealth has in the Pennsylvania State Police the most highly trained and efficient body of policemen in North America.

During the last four years the Pennsylvania State Police has done more police work than was accomplished in the first twelve years of its existence. And this in spite of an appropriation limited during the first two years by the necessity for paying off the State debt, and in the last two years by the fear of political leaders in the Legislature that an increase in the State Police force would result in hampering the operations of law breaking liquor interests whom these leaders desired to protect.

But notwithstanding that its average strength has been only 278 men out of an authorized strength of 421 men, the State Police, in addition to its regular work, has made 14,095 arrests for violations of the liquor laws; seized 62,212 barrels of beer, 619,202 quarts of alcohol and whiskey, and has confiscated 1,329 automobiles.

The campaign of the State Police against violators of the Constitution has had real results. In spite of the failure of district attorneys in certain counties to do their duty; in spite of the frequent refusal of grand juries to indict on the clearest evidence; in spite of the open tendency of many courts to avoid jail sentences, and let liquor law violators off as easily as possible, 67% of convictions in this class of cases have been secured by the State Police.

During the four years the State Police have handled 44,447 criminal cases and have secured 81.5 per cent of convictions. Fines to the amount of nearly $2,200,000 have resulted from their operations, and they have been exceptionally successful in solving homicide and bank robbery cases.

These facts entirely dispose of the charge frequently made by persons more interested in violating than in observing the law that the State Police have been demoralized by their effort, under my orders, to compel respect for the Eighteenth Amendment. The morale of the force was never better, as the feats of valor in its record amply prove. The integrity of individual officers is high, although scarcely a man in the organization has not been tempted by bribes larger than his salary for several years. In the few cases where men have yielded, the esprit de corps of the organization was so good that its own members were responsible for bringing the culprits to account.

Before the last four years is was the common belief that the State Police were used under orders to assist corporations in breaking strikes. Whether or not this belief is justified, during this Administration they have willingly followed my instructions and have been absolutely impartial in every labor dispute. The result is such a

change of attitude on the part of organized labor that I have many times been asked by strikers to keep State Police at the scene of the strike.

The men and officers of the State Police force during this Administration have worked harder and for longer hours than at any previous time. Their devotion to duty under the efficient leadership of Major Adams has been such as to deserve the grateful recognition which, in the name of the Commonwealth, I am most happy to record.

DEPARTMENT OF PROPERTY AND SUPPLIES

Approximately two million dollars have been saved the State in the last four years by eliminating politics and introducing modern business methods in the Department of Property and Supplies.

For the biennium 1921-23 the Department spent about three and one-half million dollars for general supplies, maintenance of public buildings, telegraph and telephone service, and printing and binding. For the next two years practically the same work was done at a reduction of just over a million dollars, and for the present two years the Budget provides it shall be done at a reduction of just under a million dollars, or a total saving for the same service of two million dollars in four years.

Some of this huge saving is due to weeding out useless and incompetent political job holders, but the greater part came from the introduction of such modern purchasing methods as are used by great corporations, and by letting each Department know in advance what it can count upon for printing, stationery, supplies, etc.

Thus each Department knows beforehand exactly how much it has to go on, and the incentive to economy is correspondingly strong. Under the old system there was no limitation, with the result that the General Assembly of 1923 was asked to appropriate more than half a million dollars for deficiencies incurred from this cause.

Now note the saving under better methods. In 1921-23 the cost of printing was $1.252,436; in 1923-25 it was $760,000; and for 1926-27 the Budget provides $758,606. This saving has been effected notwithstanding the large amount of additional printing required in the conduct of the State's business. Nothing like this was ever done before in Pennsylvania.

The general supplies are now purchased through the Bureau of Standards and Purchases, which has reduced this business to so efficient a system that the supplies of the State are not only obtained at lower figures, but in many cases also of higher grades than in the old days when contracts went to political favorites. Better goods for less money.

DEPARTMENT OF MINES

When this Administration came in, the mine inspection service was headed by a politician wholly unfit to be charged with the safety of hundreds of thousands of men. I removed him promptly and put in his place the present Secretary of Mines, who was universally recognized as the best equipped man in Pennsylvania for this important and responsible work. I did so without inquiring and without knowing his politics. He was the best man to protect the lives of the miners, and that was enough.

During the present Administration the Department of Mines has not only carried forward its regular work upon a high standard of efficiency, but has reduced the number of accidents in mines. In 1922, the fatal accidents per million man days were 14.07. In 1925 they were 11.35. That means 171 less deaths from accidents in proportion.

The Department has introduced the rock dusting safety method in bituminous coal mines with important results in the prevention of explosions and the saving of human life; and has taken part in the settlement of two strikes in the anthracite region.

A mining course, prepared by the Department of Mines, the Department of Public Instruction, and State College for use in vocational schools throughout the coal regions, is the most complete course of its kind ever prepared by any State Government.

In Pennsylvania there are 1,700 bituminous mines and about 750 anthracite mines. The State has a force of fifty-five qualified inspectors who have charge of the supervision of these mines for the protection of the miners. During this Administration, the inspectors have made more than 33,000 inspections of mines and investigations of accidents.

The inspectors are selected by examination through a Mine Inspectors' Examining Board for the anthracite and another for the bituminous coal fields. The methods employed in both have recently been found to be unsatisfactory. They need to be completely revised.

DEPARTMENT OF BANKING

The past four years of prosperity brought into the banks, trust companies, and building associations of Pennsylvania an increase in the various funds entrusted to their care of approximately three billion dollars.

The Banking Department has met its added responsibility ably and completely. First of all, it has made honesty and ability the test in its appointments without regard to political considerations. During the last four years it has made more frequent and more effective

examinations than ever before, and has complied for the first time with the law which requires at least one examination a year of the financial institutions of the state.

The Department has uncovered more embezzzlements and defalcations in these four years than during its entire previous history. Most of these defalcations were of many years standing, and were discovered as a result of the searching examinations now being made of financial institutions. In every instance, the offender was promptly prosecuted.

Public confidence in the Banking Department was never stronger than it is today. The divorcing of politics from the administration of the Department has brought a greater measure of protection to the savings of our working men and women and to financial interests generally than the State has ever before supplied.

Under the law, and for obvious reasons, much of the most important and constructive work of the Department must be kept secret. It may be said, however, that the Department has discovered and caused the correction of many unsatisfactory conditions which, if allowed to run on, would have seriously embarrassed the institutions involved.

No small portion of the improved financial condition of the citizens of the State is due to the work of the Bureau of Securities. During the three years of its existence, this bureau has done more to protect the people of Pennsylvania from the operations of security swindlers than any other agency in the history of the State.

Since its establishment the Security Bureau has refused to license dealers desiring to sell a total of $758,000,000 of questionable or unsafe securities in Pennsylvania. The money which otherwise might have gone into the pockets of swindlers if invested in these securities was thereby saved to our people. At the same time, 1707 other dealers and 6119 agents have been denied registration.

Pennsylvania no longer is regarded as a fertile field for the get-rich-quick stock swindler. Bucket shops have been driven completely from the state, while hundreds of high-pressure salemen who formerly used their time to profitable advantage in Pennsylvania now are compelled to seek victims elsewhere.

The principal credit for this remarkable and most valuable piece of work belongs to Einar Barfod, who with the enthusiastic cooperation of his associate, Walter J. Fallows, and the firm support of the Secretary of Banking, has disregarded threats, resisted pressure, uncovered subterfuges, and turned on the light in one of the most remarkable campaigns for the protection of the people that I have ever known.

Just what legitimate business thinks of the work of the "Blue Sky" Bureau is shown by a resolution adopted by the Pennsylvania Ban-

kers' Association at its convention in 1925, which reads:

"Resolved that we heartily commend the Bureau of Securities at Harrisburg for their courageous and faithful administration * * * that we express our appreciation of the results already obtained in the elimination from Pennsylvania of the fake stock salesmen."

INSURANCE DEPARTMENT

A good start has been made toward ridding Pennsylvania of insurance frauds. I regret to report that inefficiency of many years' standing at last reached such an intolerable stage in the Insurance Department that I found it necessary, a little more than four months ago, to replace the Insurance Commissioner with a younger and more energetic man. Accordingly I appointed Einar Barfod, whose fearless and intelligent enforcement of the Securities Act is nationally known. Since that time the Insurance Department has been completely reorganized and restored to usefulness and service.

Since its reorganization the Department has taken a firm grip on the unsafe, unsound, or actually dishonest insurance combinations which have so widely and so heartlessly victimized our people. A complete survey has been made of all insurance organizations doing business within the State. No less than 192 insurance organizations suspected of wrong practices have been put under special scrutiny. Within the last two months ouster or liquidation proceedings have been started against 55 improper, undesirable, or unsafe insurance companies or societies, the proceedings against 28 of which have been completed.

Formerly any insurance organization which came to this State with recommendations from the department of its home State was admitted. That meant that the Pennsylvania Insurance Department had transferred the duty of protecting Pennsylvania citizens to the Insurance Departments of other States. Now Pennsylvania examines all applicants without exception. Since last August no new company from any other State has been able to pass the requirements for admission to this State.

The authority to license insurance agents, which had been surrendered to private and selfish interests, has been retrieved by the State, and is now exercised by the Department only, in the public interest only, and not for private exploitation or intrigue.

The work of the reorganized Pennsylvania Insurance Department has attracted the attention and earned the commendation of the legitimate insurance interests of the entire country. If it is carried forward vigorously and without political interference, Pennsylvania will become as famous for the honesty and soundness of its insurance business as it today is for the honesty and soundness of its investment banking business.

To complete the clean-up in the insurance business, the Insurance Department needs legislative assistance. Proper action on your part will make it as safe for the people of Pennsylvania to insure as it has already been made safe for them to invest.

BOARD OF GAME COMMISSIONERS

Pennsylvania is now the best game State in the Union. In 1925 the State produced about 5,500 tons of wild game for food valued at something like $5,000,000.00, and the amount of game available to sportsmen is steadily increasing.

All this is due mainly to our system of game refuges. It is also due to the work of the Commission, to a general revision and codification of the game laws adopted in 1923, and especially to better and more willing observance of the law by the hunters of the State. Only two-tenths of one per cent of convicted offenders against the Game Laws are licensed sportsmen, and at least one-quarter of these are men who voluntarily give themselves up when they have killed unlawful game by mistake.

The sportsmen of Pennsylvania are giving more and more attention to the advancement of sportsmanship in game protection and law observance, and also to the prevention of forest fires, the extension of our State Forests, and the purification of our streams. The work which the hunting and fishing associations of Pennsylvania are doing in these directions deserves the commendation of the whole Commonwealth.

In 1922 Pennsylvania had 38 games refuges. Now we have 103. They cover more than a quarter of a million acres, and constitude the most practical and extensive undertaking for wild life conservation ever set on foot by any State.

During the past four years both the field and office forces of the Game Commission have been reorganized, the term of members of the Board has been increased to six years in order to insure a continuous policy, and the Hungarian partridge has been introduced.

More than 525,000 hunting licenses were issued in 1926. It is remarkable that the State which has the largest number of hunters and the largest annual bag should nevertheless continue to have the largest amount of game.

BOARD OF FISH COMMISSIONERS

The fishing situation in Pennsylvania can be looked at in two ways. One is that the propagation, distribution, and protection of fish has reached a new high mark during the last four years, when more than 1,120,000,000 fish were turned loose in the waters

of Pennsylvania. Moreover, while in 1923 a total of 168,000,000 were distributed, the distribution in the first eleven months of 1926 was 326,000,000.

Not only has the number of fish distributed annually more than doubled during this Administration, but provision has been made for still further increasing the output. Some twenty new ponds have been constructed at the present State hatcheries; the Reynoldsdale trout hatchery site has been purchased and paid for; a new site has been recommended at Tionesta; and another is under consideration in the Southeastern section of the State. The business methods of the Fish Commission have been entirely recast and it is now doing its work and doing it well.

The new, improved, and simplified Fish Code, passed in 1925, is one of the best pieces of fish legislation ever enacted. Its purpose is to conserve the fish in Pennsylvania waters with the least possible restriction on the angler.

The age limit for resident fisherman's license has been reduced during this Administration from 21 to 16 years. All inland fishing has been restricted to two rods, two lines, and one hand line, with not more than three hooks attached to each. This does away with a variety of special devices, whose yearly catch is estimated at half a million pounds, and leaves so much more fish for the rod fisherman.

The other way to look at fishing in Pennsylvania is that, thanks mainly to the automobile, the number of fisherman has enormously increased, and waters which were rarely touched a few years ago are now fished hard throughout the season. So numerous are the fishermen and so accessible are the streams, that fish life, in spite of the immense increase in the distribution of fish, is fighting a losing fight in Pennsylvania.

As a fisherman myself, I am keenly interested in the preservation of our fishing, but I realize the present enormous drain upon the fish in our streams and lakes. If it goes on, and if the acquisition of the best fishing waters by private clubs continues to restrict the waters open to public fishing and thereby concentrates more fishermen on less miles of stream, serious days are ahead for the anglers of Pennsylvania. My personal judgment is that our fishermen will be forced before very long to choose between increasing the size and decreasing the number of the legal daily catch, or going without good fishing altogether.

The most important single undertaking by the Fish Commission during these four years is a survey of the streams and lakes of the Commonwealth. Under it all waters are classified as to area, depth, species of fish, aquatic life, etc. When the survey is finished it will

provide complete information to show the carrying capacity of every lake and stream, and what the distribution of fish should be properly to stock all the waters of the State.

Upon request of the Sanitary Water Board, to which the Administrative Code transferred enforcement of the pollution clause of the Fish Law, field agents of the Board of Fish Commissioners have examined the streams and waters in fifteen counties, and upon their reports the Sanitary Water Board has designated more than 4,000 miles of class A streams which are now pure and which will be kept pure. This is an achievement of the first importance.

DELAWARE RIVER BRIDGE

The Delaware River Bridge between the States of Pennsylvania and New Jersey at Philadelphia and Camden is the largest of its kind in the world. It was skillfully planned and honestly built, and it was opened on July 1, 1926, three days ahead of the date set years before. The Commonwealth of Pennsylvania appropriated nearly $11,000,000 towards its cost.

During 1925 the completion of the bridge was threatened by the contention that the charging of tolls was obligatory upon the State of New Jersey and by the mandate of the Pennsylvania Legislature that the bridge must be toll free. At first I assumed that the bridge ought to be free and accordingly signed the bill which so provided. Later I became convinced that, both for the relief of Pennsylvania tax-payers and for the prompt completion of the bridge, tolls should be charged.

Accordingly I recommended the reversal of the Pennsylvania position to the Extraordinary Session of 1926. It accepted the recommendation. The result will be to return to the taxpayers of the State the $10,784,662 appropriated, with interest to almost the same amount.

Traffic across the bridge has greatly exceeded the estimates of the engineers. Tolls have been paid without confusion or delay. Not a single complaint against them has reached the management. There are no free passes. In the end the bridge will have cost the Commonwealth nothing. It is a great public improvement which pays for itself.

STATE ATHLETIC COMMISSION

The State Athletic Commission has been in existence a little over three years. During that time the character of boxing and wrestling contests has been revolutionized.

The Commission has supervised sixteen hundred exhibitions, including boxing and wrestling, with a total of over eight thousand

separate contests. Among the sixteen thousand contestants not a single serious injury has taken place. This is proof that under the supervision of the Pennsylvania Athletic Commission boxing and wrestling are not brutal exhibitions but forms of legitimate sport.

The Commission managed the Tunney-Dempsey boxing match most admirably. It was by far the greatest event of the kind ever known in the history of the world. One hundred and forty thousand persons attended, and the State received $86,000.00 as its share. I have never been present at a more orderly or better conducted exhibition of any sort anywhere.

COMMISSION TO STUDY OLD AGE PENSIONS

During the past two years this Commission has carried out exhaustive studies whose conclusions will shortly be laid before you. Whatever legal and constitutional difficulties may lie in the way, the Commission is convinced of the immediate necessity for a constructive plan of State action.

The Commission reports that only China, India, and the United States still remain without effective provisions for the aged; that the cost of old age pensions in the four States which have adopted them amounts to but one-fifth to one-third of the cost of supporting the same persons in almshouses; and that the industrial pension plans which have been adopted by various corporations cover but six per cent of the needy aged.

Finally, the Commission unanimously recommends the second passage of the Joint Resolution adopted by the Legislature of 1925 which provides for the amendment of Article 3 of the State Constitution so as to permit the Legislature to make appropriations for assistance to aged indigent residents of the Commonwealth.

THE DELAWARE RIVER COMPACT

New ground in the conservation of interstate waters is broken by the proposed Compact for the regularization and utilization for all purposes of the waters of the Delaware River Basin, now under negotiation between representatives of Pennsylvania, New York, and New Jersey. It supplies a sound and practical method for the constructive utilization and development of interstate waters by the three States, with justice to all three, and settles the interstate questions concerning the water resources of the Delaware which have prevented its full utilization and development during past years.

Authorization to negotiate was given by the respective Legislatures in 1923, and the Commissioners of the three States submitted a form of Compact to the Legislature of each State in 1925. New York ap-

proved the Compact in the form submitted, but New Jersey referred it to a Commission instructed to consider it in relation to the whole water supply question of the States.

Negotiations have since been resumed, and the Commissioners of the three States have now agreed in substance upon a form of compact which will be submitted this year to the three Legislatures.

The proposed Compact will make possible the utilization of approximately one-third of the total water resources of the Delaware and its tributaries, or sufficient to meet the needs of the three States for the next fifty years, leaving the allocation of the remaining waters to future generations.

It takes into account also the great advantage to be gained by storage in the regularization of stream flow, and makes possible the utilization of flood waters which now run unused to the sea. At the same time it will materially increase the low water flow of the river just when the water is most needed for navigation and the preservation of the public health.

Through lack of a compact, our one most important boundary stream, the Delaware, has remained practically undeveloped. Its conservation in quantity and quality for the future needs of the three States for domestic and industrial water supply, power, and navigation is nothing less than vital.

Each of the three States has much to gain by this Compact. Without it the Delaware must remain unutilized except in a limited local way. The City of Philadelphia especially needs the protection which the Compact offers, for the reason that it is entirely dependent for its water supply upon the Delaware River and its tributaries, and must remain so.

THE EXECUTIVE BOARD

Public opinion in Pennsylvania has not yet been crystallized against the spoils system sufficiently to compel the passage of a civil service law for State employees. Therefore any attempt to secure such a law during my term would have been hopeless. The Administrative Code, however, provides for the classification of the seventeen thousand State employees by the Executive Board. They have been classified, and the classification lays down in writing the duties of every office under the State Government, and provides just what qualifications any candidate for each office must have, as well as the maximum and minimum salary.

Under this classification the whole State service has been taken out of politics and put on a basis of merit instead of pull, and the appointment of political deadheads has been absolutely abolished. So long as an honest and intelligent classification is followed no

one can be appointed to a salaried position under the State Government who is not competent to earn his pay.

In four years this Administration has abolished the spoils system in State jobs, and has sustituted the merit system for State employees. It leaves in sound working order the nearest approach to a civil service system that can be provided without specific provisions of law.

GIANT POWER

Electric power presents the greatest economic problem before the American people. Thirteen years ago Charles P. Steinmetz told the Franklin Institute in Philadelphia that long distance electrical transmission would revolutionize human life in our time, and warned us against the new evils likely to flow from electrical monopoly.

The Federal Power Act of 1920 met his views in part, and laid the foundation for a new economic policy. For eighty-five per cent of the undeveloped water powers of the United States, it limits licenses to fifty years; fixes the "recapture price" at the end of that time at the original legitimate cost of the works; and, above all, it makes this original cost the rate base upon which the public service commissions of the States must calculate the "fair-return" to which investors are entitled. Thus the Act dedicates the value of the raw water power resources of the country (and especially the increase in that value which follows the increase of population and wealth) to the public and withholds it from speculative promoters.

This Administration has succeeded in coordinating our State water power laws and administration with the Federal Act. It has also succeeded in applying the same principles to steam-generated electricity, and in devising a plan of public control of all electric service calculated and adequate to meet the needs foretold by Steinmetz.

As to water power, the task was accomplished by the Limited Power Permit Act of June 14, 1923, the Condemnation Act of the same date, and the Act of May 28, 1923, for leasing land in State Forests for power purposes—all administration bills.

As to the generation of electricity from coal (the source of 90 per cent of all electricity in Pennsylvania), and as to a general policy of public control for electric service, a careful inquiry was necessary. Accordingly, at my request, the General Assembly, by Act of May 24,1923, created a Giant Power Survey Board with the Governor as Chairman, to "undertake an outline survey of the water and fuel resources available for Pennsylvania, and of the most practical means for their full utilization for power development, and other related uses; also to recommend, in outline, such policy with

respect to the generation and distribution of electric energy as will, in the opinion of the board, best secure for the industries, railroads, farms, and homes of this Commonwealth an abundant and cheap supply of electric current for industrial, transportation, agricultural, and domestic use."

The report of the Giant Power Survey Board was laid before your honorable body in 1925. It marked a wholly new epoch in the development of a public power policy in the United States. It attracted favorable attention throughout this country and in foreign nations, and it recommended a complete scheme of legislation.

The Giant Power Bills constituted the most important group of bills dealing with electricity ever submitted to the Legislature of any State. The benefits they hold for farmers and other consumers of electric current as to both service and price are of the most signal importance. Moreover, they embody the only practicable plan so far devised to control the coming electrical monopoly in the public interest without checking development.

These bills were submitted to the session of 1925 with a special message pointing out their necessity and value. They were promptly killed in committee by the organized electric interests of Pennsylvania. The most important of them, with slight changes, were resubmitted at the special session of 1926. Again they were killed in committee by the same electric interests.

I have no doubt whatever that the substance of these bills will ultimately be adopted in this and other States as the only just alternative to public ownership and operation of electric utilities, unless the dreadful scourge of an unregulated electric monopoly should fall upon us first, as at present it bids fair to do.

In brief the Giant Power Plan consists of four parts:

First, the stimulation of private enterprise for huge production of electricity at the source (the coal fields), with all the economies to be expected, including the recovery of the valuable by-products of coal before burning.

Second, the compulsory pooling of all power systems in the State.

Third, adequate regulation on the principle of the net investment rate base, and service at cost plus a fair profit, without discrimination against the small consumer.

Fourth, control of interstate transmission by the States themselves through interstate compacts.

I am convinced, however, that the almost incredible speed with which a nation wide electrical monopoly is forming through consolidation of companies and systems raises the question whether immediate Federal legislation is not required to protect the public interest before it is too late.

Upon the defeat of the Giant Power Bills in 1925, I created by executive order a Giant Power Board consisting of State officials and the former director of the Giant Power Survey "to set the Giant Power problem in a clear light before the people and to coordinate toward its partial solution all the executive and administrative authority given by existing law." This Board I dissolved by executive order on December 31, 1926. Its report, dated December 7, 1926, is submitted in a separate volume.

ALCOHOL PERMIT BOARD

This Board was created in the Department of Welfare by the Act of February 19, 1926. The passage of this Act marked a great forward step in law enforcement in Pennsylvania.

The Board is empowered to regulate by permit the manufacture, production, denaturization, holding in bond or in storage by bailee for hire, sale at wholesale, and transportation for hire, of alcohol or alcoholic liquors by certain persons.

The Attorney General, the Secretary of Health, and the Secretary of Welfare are designated by the Act as the members of the Board. The fee for each permit issued under the Act is $100.00, and the expenses of the Board are met out of such fees.

The Board has done, and done well, the long, laborious, and difficult task of preparing regulations under the Act, and of getting its work started. It has proved its great value, it is now a going concern, and it has even greater promise of usefulness hereafter. The State has no more powerful instrument for compelling respect for the dry laws and the Constitution.

Up to December 28, 1926, a total of 188 permits have been issued, and the permits of three breweries have been revoked for cause after public hearing.

PUBLIC SERVICE COMMISSION

The Public Service Commission of Pennsylvania has done little to protect the rights of the people and much to insure and increase the profits of the corporations, as the man in the street well knows. The plain people would be better off with no Public Service Commission at all than with a Commission the majority of whose members, as at present, are mere speaking tubes for the public utilities.

The fact is that the Public Service Commission of Pennsylvania has been a catspaw for the corporations. By making use of it the public utilities have secured fatter profits from the people than without it they would ever have dared to take for themselves. Without the Commission, the eight-cent fare in Philadelphia would never have

been demanded and the people would never have stood for it. In this and in many other cases the Public Service Commission is the sugar coating by means of which the public utilities persuade the people to swallow their extortionate rates.

I have made an earnest and continuous effort to take the Public Service Commission of Pennsylvania out of the control of the public utilities, and make it a genuine servant of the people. I have not succeeded. This is partly because certain men whom I appointed to the Commission have, after their appointment, abandoned the principles they professed before. It is also because the Senate, at the urgent demand of important gang politicians, confirmed a man whose nomination I refused to send in by reason of his betrayal of public trust in the Philadelphia trolley fare case.

But the chief reason why the majority of the Public Service Commission is today the catspaw of the corporations is that men whom I removed on the ground that they were notoriously unfit to protect the public interest were put back by the Supreme Court of Pennsylvania, which thus took away from the Governor the same right of removal which the Supreme Court of the United States has just confirmed to the President.

But even on a Commission so constituted a fighting minority can do good work. Within the last few weeks, for the first time in its history, the minority has forced the Pennsylvania Public Service Commission to take up a case of glaring injustice to the public without a complaint, and on its own initiative.

It is obvious that either the Public Service Commissions in this and other States must cease to be servants of the corporations and become the militant protectors of the people's rights, as they ought to be, and as the minority of our own Commission (whom I am proud to have appointed) is today, or the people will ultimately be forced to take over the public utilities in self-defense.

For these and for other reasons I do not recommend the abolition of the Public Service Commission. The time may come when the Commission will genuinely represent and courageously defend the people. In the meantime I suggest that the people of Pennsylvania should watch the Commission with unwavering attention, and refuse to stand in future for such betrayal of the public interest as the attempt to give the railroads a practical monopoly of bus lines through the State, and others that have been committed in the recent and remoter past. I have refused to approve charters from the Public Service Commission which would permit two large railroad companies to operate bus lines over the roads of fifty-five counties, thereby assuring them such a monopoly.

TRUCKS AND BUSSES

Pennsylvania has spent hundreds of millions of dollars for good roads. If these roads are cut to pieces by heavy busses and motor trucks which do not contribute fairly to the cost of repairs, every owner of an automobile in the State is hurt.

An eight-ton truck of the type that operates in freight caravans between our large cities now pays a maximum fee of $70 per year. The same truck in Maryland, making a daily trip between Baltimore and Frederick, pays a fee of one-third of a cent per ton mile, or $970.67.

A 20-passenger bus in Pennsylvania pays a fee of $62.50. The same bus in Maryland traveling daily from Baltimore to Frederick and return pays one-eighteenth of a cent per passenger mile, or $440.45.

The Maryland rates at least approach a fair return for the damage done to the roads by trucks and busses. The fact that they pay these rates and still operate successfully in Maryland is proof enough that the present rates in Pennsylvania are wholly inadequate.

SANITARY WATER BOARD

For the first time in the history of Pennsylvania the streams of the State have been scientifically classified as to contamination by the work of the Sanitary Water Board, a new organization created by the Administrative Code. The Board has made definite working agreements with tanneries, paper mills, laundries, and other industries for experimentation at their expense which will lead to permanent improvement in the condition of many important streams.

Agreements have also been made with the States of New Jersey, New York, Ohio, West Virginia, and Kentucky for the prevention of stream pollution. More progress has been made toward the purification of our streams during these four years than during the entire previous history of the State.

SESQUI-CENTENNIAL COMMISSION

This Commission, at first under the Chairmanship of Major R. Y. Stuart, later under that of Doctor Clyde L. King, both of whom undertook its duties in addition to official obligations already heavy, has done great work. It supervised the design and erection in record time of the Pennsylvania State Building, generally acknowledged to be the finest building on the grounds, and filled it with an exhibit which set forth the progress of Pennsylvania during the last one hundred and fifty years, and put the activities of the Commonwealth before its citizens more clearly and vividly than had ever been done before.

The Commission made use of the State Building also for extensive conferences and official entertainments, and the Legislature of Pennsylvania held a session there on July 5, 1926.

So far as practicable the exhibits collected in the Pennsylvania Building, and the motion pictures prepared to illustrate the activities of the State Government, will be preserved and used in illustrating and advancing the work of the several Departments.

ART COMMISSION

During this Administration for the first time the Art Commission has taken its proper place as an essential part of the State Government, and has abundantly justified its existence not only by the amount of work it has done, but by its notable contributions in bringing about more fitting and more beautiful construction by the State. Its members, who serve without compensation, have rendered a most important service to the Commonwealth.

SOME HIGH POINTS

These are some of the things this Administration has done or tried to do. To sum up in a few words, this Administration among other things:

Has cleaned up the mess; paid off the $32,000,000 debt; established a complete budget system; and put the finances of Pennsylvania back on a pay-as-you-go basis, with plenty of money in the bank.

Has reorganized the whole State Government, except the elective departments; and made it from a haphazard unworkable jumble into an economical and effective business machine capable of real service to the people.

Has driven politics and political deadheads out of the State service and put appointments and promotions on a basis of merit instead of pull, thus getting a dollar's worth of service for every dollar spent.

Has established and lived up to the principle that a public official is in duty bound to do for the people everything the law permits, not merely what the law directs; and has given a character and amount of legal service to the people never before approached in Pennsylvania.

Has stood squarely behind the Eighteenth Amendment; fought for and secured the passage of dry laws with teeth in them; outlawed and broken the power of the saloon; made the State Government dry; and used its power from first to last against law breaking bootleggers, breweries, and alcohol distilleries.

Has built more miles of road in four years than were ever built in an equal time by any highway organization in the world; expended

$262,000,000 for roads without a breath of scandal; and made the State highways of Pennsylvania better, safer, and more convenient for motorists than they ever were before.

Has substituted cooperation for compulsion in its relations with local school authorities; made it possible to pay the State's contributions to school districts on the dot for the first time in many years; defended the public school system against gang politicians; and given our children better schools than they ever had before.

Has driven politics out of the State hospitals and penitentiaries; put appropriations to State-aided hospitals on a basis of service rendered instead of political pull; and raised the standard of service in institutions everywhere.

Has originated and fought for the Giant Power policy for better and cheaper electrical service to all the people; and secured the establishment of modern water power laws for Pennsylvania in line with Federal policy.

Has refused to play politics with the lives and health of our working people; has taken the factory inspection service out of politics; has established a bureau to study and make safe the work of women and children; and kept down industrial accidents at a time which they are increasing in other industrial Commonwealths.

Has promoted cooperation among farmers; eradicated more tuberculosis among cattle than all previous Administrations together; protected and extended the farmer's markets; and made the food supplies of our people purer and safer than ever before.

Has developed forest protection to a point where for the first time in generations new growth in the forests of Pennsylvania exceeds the loss from fires; and secured the passage of $25,000,000 State Forest bond issue through two sessions of the Legislature.

Has taken an active part in the settlement of two anthracite coal strikes; and revolutionized the attitude of the State Government toward labor and labor problems.

Has shut nearly $800,000,000 of fraudulent securities out of Pennsylvania under the new Blue Law: and reconstructed the Department of Insurance and brought hundreds of questionable insurance companies to book.

Finally, it has honestly tried to keep its pledges and from beginning to end has followed the rule that the public good comes first.

TWO ANTHRACITE STRIKES

In the fall of 1923 the entire northeastern section of Pennsylvania was threatened with industrial stagnation by a strike in the anthracite field. At the same time, since four-fifths of the anthracite mined is burned outside of Pennsylvania, the great body of anthracite users, some 40,000,000 people in the United States, were in imminent danger of having to go without their customary fuel.

After efforts by members of the National Administration had failed to effect settlement of the anthracite coal strike of that year, I deemed it my duty as the Governor of Pennsylvania to use my best efforts to secure coal for consumers. Accordingly, after prolonged negotations at Harrisburg, in which none but Pennsylvanians took any part, the strike was settled on September 19, 1923, and a supply of anthracite for the coming winter was assured.

Immediately thereafter the operators took advantage of the terms of the settlement to exact for themselves an increased profit at the cost of an increased price to the consumer. I protested, called the Governors of the anthracite using States into conference, and secured the introduction of a bill in Congress, but the operators held to the higher price.

The second anthracite strike during this Administration began on September 1, 1925. After it became evident that the National Government intended to take no action toward settling the strike, I called a meeting in Harrisburg of miners and operators (which the operators refused to attend) and there submitted terms which were substantially the same as those upon which the strike was settled a few months later.

This strike confirmed my opinion of the anthracite operators as hard-boiled monopolists, whose sole interest in the people is what can be got out of them. My relations with the miners have given me confidence in their integrity and public spirit, which was well illustrated when during the last strike they accepted my proposal to forego any increase in wages which could not be granted without entailing an increase in price to the consumer.

THE ELECTIVE FISCAL OFFICERS

In Pennsylvania two of the State fiscal officers (the State Treasurer and the Auditor General) are elected. One (the Budget Officer) is appointed by the Governor. Under the Federal Government the President appoints all three. Four years of practical experience at Harrisburg, and many times as long with the Federal Government at Washington, have convinced me that the Federal system serves the people very much better than ours.

One result of the Federal system is that the Administration is a unit, thus immensely facilitating the public business. Another result is that the Federal finances, because of this concentration of responsibility, have been far and away better handled than those of Pennsylvania.

The theory of our system is that the elected officials will act as checks upon the Governor. In practice they are nothing of the sort. If they were, Pennsylvania would not have been $32,000,000.00 in

debt, nor would the public money have been wasted on political incompetents to the extent of millions of dollars a year.

During the terms of other Governors, and during most of my term, our system has resulted in a continued succession of attacks on the Administration by Auditors General and State Treasurers. During this administration these attacks have uniformly been defeated. In every important contention, such as the refusal to recognize the Attorney General as chief law officer of the State, to recognize the Administrative Code, to pay current expenses of State Hospitals, etc., the Administration has won, but not until after the groundless opposition, the needless law suits and delays have cost the taxpayers heavily in money, have wasted months of time, and have even endangered the health and well being of inmates of public institutions.

The Budget Officer, in order to keep the Governor informed, is now obliged to duplicate much work already done by the elective fiscal officials, and to do it much better. In practical fact the condition of the public funds and the probable revenues from taxation have in every case been better understood and more accurately forecast by the appointed Budget Officer than by the elective fiscal officials. There could be no better illustration of this than the estimates of revenue made by the present State Treasurer in 1923 and 1925, which were wholly useless as a basis for the Budget because of their childish inaccuracy. Actual revenues since collected abundantly support this statement.

The Governor is and ought to be responsible for the business management of the Commonwealth. Therefore he ought, like the President, to have control corresponding to his responsibility.

Pennsylvania would be better off if all the fiscal officials were appointed, thus assuring harmony and making efficiency possible. Moreover, much needless duplication of work and expense now existing between the State Treasurer and the Auditor General, such as the duplicate checking of receipts, could and would be cut out.

DEPARTMENT OF INTERNAL AFFAIRS

I repeat my recommendation, which I was not the first to make, that the constitutional office of Secretary of Internal Affairs be abolished. This Department performs no public service that cannot be better done elsewhere at less cost to the taxpayers. Its work is low grade and in large part entirely useless. It is in fact little more than a refuge maintained at public expense for political incompetents. Vigorous and sustained efforts to improve its service and make this Department worth its keep have failed. The only thing to do with this costly and useless excrescence on the body politic is to remove it.

THE CONTEMPTIBLE GANGSTER

After four years in a position to learn the facts, I am going out of office with the most hearty contempt not only for the morals and the intentions, but also for the minds of the gang politicians of Pennsylvania. Doubtless in the past there have been gang politicians of power and insight. We look for them in vain today.

The gangster as I have learned to know him, depends for his success on four things: The influence of the higher-ups, the groundless fear he often inspires, money, and cheating. Take these from him and he has nothing left. In a straight game he is lost from the start. And he would be lost in any case except for the failure of the majority of the decent citizens of the State to exercise their power through the ballot box.

The gangster is no wizard. He is powerless to play any game but his own. Because it never occurs to him to tell the people the truth, it never occurs to him that anybody else will tell the truth. From the beginning the most effective thing I could do to deceive the gang was to lay all my cards on the table and say precisely what I meant. They never got used to it.

Gang control in town, county, or State is possible only because so-called good citizens lie down. First of all gang control is minority control. Next it means that the taxpayers do not get what they pay for. The gang spends money out of the taxpayers pockets freely for private and political ends. And not only are the taxpayers thus cheated and robbed, but what money actually does go to public purposes is ignorantly, stupidly, and wastefully spent. Gang control is a system under which the taxpayer is the goat at every turn in the road. And the money loss is the smallest part of it.

CLEAN ELECTIONS

There is today no question more vividly before the people of the United States than election frauds. I can speak upon it from practical experience. The present Administration would never have come into office except for an error of judgment on the part of the Philadelphia gang as to how many votes they had to steal to win.

In the primary of 1922 the polls closed in Philadelphia at seven o'clock in the evening. In less than three hours the votes of the Vare-controlled river wards had been written up—obviously they could not have been counted—tabulated, painted on transparencies, and the transparencies were in procession around City hall.

It was a case of over-confidence. The gang believed that a comparatively small theft of votes was all that was necessary to insure my defeat. When, however, it was discovered that I had a chance

to win, the Pittsburgh machine took three days to do what had been done in Philadelphia in three hours.

But while undoubtedly many thousands of votes were stolen, and while the count in Pittsburgh reduced my apparent majority from over fifty thousand to less than nine, the hasty returns from the Philadelphia river wards prevented the theft of quite votes enough to beat me.

After the primary I notified the leaders of the machine that I would conduct my own separate campaign unless they abandoned the corrupt and contemptible custom of assessing office holders for political purposes. Thereupon they did abandon this method of making office holders buy their positions on the installment plan.

DISFRANCHISING HONEST VOTERS

One of the penalties we inflict on a thief is to take away his share in the government of this Commonwealth by depriving him of his vote. But when election frauds are committed it is the thief who takes away the vote of the honest citizen. Election thieves put self-respecting people on the same plane as convicted criminals so far as their votes are concerned.

Political gangsters have made Pennsylvania notorious among all the States for the disfranchisement of honest citizens by the stealing and buying of votes. Buying elections is as bad as stealing elections. Either way the people lose control of the government, and the thieves or the purchasers rule in their stead.

THE COMMISSION OF SEVENTY-SIX

Election frauds by the political gang, especially in the counties of Philadelphia, Allegheny, and Lackawanna, became so injurious to the Commonwealth that in 1926 I called an extra session of the Legislature for the chief purpose of dealing with them. Before this extra session I laid the recommendations of the Commission of Seventy-six, a body of men and women representative of the best in Pennsylvania. These recommendations, while not complete, covered every improvement in election laws it was thought possible to secure at that time.

But in the Legislature the same forces which had been guilty of the frauds killed the whole program. Out of the twelve bills they passed two. One of these was so changed by the gang as to make it harder instead of easier to open ballot boxes. I had to veto it. The other I signed because, although badly disfigured, it was still better than nothing.

The bills prepared by the Commission of Seventy-six would have prevented certain notorious kinds of fraud. These very frauds were

committed on an extensive scale both in the primary and in the general election of 1926, and some of the politicians who had joined in killing the bills found themselves cheated as they could not have been cheated had the bills been passed. They got precisely what they deserved.

As an appendix to this message I lay before you a second report from the Executive Committee of the Commission of Seventy-six. Its principal additional recommendations provide for:

> Limiting the total amount that may lawfully be spent for all purposes by or on behalf of a candidate for any office in a primary campaign. This amount is fixed at ten cents for each vote cast by his party last time for any office in the candidate's district. It compares with $1.28 spent by Senator Pepper, $0.63 spent by Congressman Vare, and $0.13 spent by me in the recent primary. Speaking generally, it would result, in the case of United States Senator, in a limit of somewhere about $100,000.
>
> Requiring that every candidate must appoint a financial agent to whom all contributions and through whom all expenditures in his behalf must be made, and requiring that contributions and expenditures of five dollars or over shall be made by check or other order and not in cash. Thus the amount actually received, and from whom, and the amounts actually spent, and for what, would have to be reported.
>
> Providing that watchers at elections cannot be paid, thus cutting out one of the commonest methods of buying votes.
>
> Most important of all, providing for the forfeiture of any nomination in the contest for which either the candidate or his authorized agent breaks the law or consents to the breaking of it by others.

The buying and stealing of elections in Pennsylvania must be stopped. That is of the most vital consequence to every honest citizen. If these recommendations are accepted the scandalous expenditures which marked the last primary election will not occur again, and any candidate shown to have cheated will lose the nomination he cheated to get. That is a far more effective defense against fraud than any amount of fines or jail sentences.

WILLIAM PENN ON ELECTION FRAUDS

> These recommendations are neither new nor revolutionary. Under William Penn's famous frame of Government for Pennsylvania "signed and sealed by the Governor and freemen, the

fifth day of the third month, called May one thousand six hundred and eighty-two," the 21st of the Conditional Laws reads as follows:

"That all defacers or corruptors of charters, gifts, grants, bonds, bills, wills, contracts and conveyances, or that shall deface or falsify any enrolment, registry or record within this province, shall make double satisfaction for the same; half whereof shall go to the party wronged, and they shall be dismissed of all places of trust, and be publicly disgraced as false men."

SHAMING PENNSYLVANIA

The special interests which buy votes with excessive expenditures of campaign funds, and the politicians who steal votes in elections, have combined to bring upon Pennsylvania a dishonor which will take years to live down. I refused to support Mr. Vare in the election on the sound and proper ground that his nomination was partly bought and partly stolen, and I have no doubt that he deserves to be and will be excluded from the Senate. But whether he is or not, the mere fact that a Senator-elect from Pennsylvania is in danger of losing his seat because of scandalous expenditures in the primary and notorious cheating in the election is a bitter disgrace to this Commonwealth, and is so regarded not only by good citizens of Pennsylvania but throughout the Nation.

THE DIRECT PRIMARY

The direct primary must not be destroyed. Whatever its faults, it is the one system of nomination yet devised which gives the people a chance against the politicians. Without it the women of Pennsylvania would lose their best chance to count in public affairs.

Attacks upon the direct primary in this State come principally from the men who have had a hand in debauching it. These persons (some of them in official life), whose candidates have profited by excessive expenditures of money or the stealing of votes, now demand the elimination of the direct primary because of offences that were committed against it. It is as though a man were to throw a handful of sand into delicate machinery and then complain because it no longer ran as smoothly as it should.

The reason the politicians want the direct primary abolished is because it is less trouble for them to control nominations under the convention system. That is the best of reasons why the primary should be retained.

THE MEN BEHIND THE BOSS

For many years the politics of this State has been run as a part of the business of certain great monied interests. These interests invest in politics as they do in mills or mines or banks, and for the same purpose—to make money. But instead of property they buy men and votes, favors and legislation.

What these interests buy is non-interference, tax exemption, extortionate rates allowed public utilities, and other special privileges for themselves at the expense of the people. They give the orders, and the men who take the orders are the political bosses whose names we see in the papers every day.

The real purpose of every regular political machine, therefore, is the advantage of the interests which maintain it, the profit of the men higher up.

To operate successfully, every machine, at least in cities, must have behind it two different kinds of people. First of all, it must have a body of politicians able and willing to deliver, for value received, the control of government, the unrighteous favors, and the unfair protection for the sake of which the magnates are in politics. Politicians able and willing to do these things must be corrupt.

Hence any such machine must include a body of the lowest politicians, such for example as the Mellon machine in Pittsburgh and the Mitten machine in Philadelphia actually do control—men who depend for their living and their power on liquor, crime, and vice. These are the men the magnates buy with valuable considerations, and from time to time protect against the revolt of honest citizens who would otherwise destroy them.

This is one wing of the city machine. The other consists of the respectable element. It is made up partly of the men who are so tied in with the business organization of the magnates that they profit from the existence of the machine; partly of business men who are held in fear because of their loans and credits; partly of the generally decent citizens (of whom there are many) who follow the magnates because they assume that if a man is rich enough he can do no wrong; partly of persons who cannot resist the craving to stand well with those in power; and partly of such of the ostensibly respectable elements of the community as are willing (in Pittsburgh, for example) to shut their eyes and make common cause with gangsters, vote thieves, dive-keepers, criminals, and harlots, because of the social and financial eminence of the Mellon name.

In city after city, county after county, and State after State, these double teams of the actual worst and the theoretical best put and keep the men behind the bosses in political power. For such reasons,

and with such support, the machines of Pittsburgh and Philadelphia, and many another, spread their black hawk-like shadows over the community, borne on the two wings of eminent respectability and organized crime. And their purpose, like that of hawks, is to prey on those who are without protection.

Against this debauchery of the public conscience and despoiling of the public rights, this Administration has set its face like flint. Not only has it taken no orders from the investors in politics who heretofore have had their orders obeyed in Pennsylvania, but it has steadily used its whole power to break down magnate-owned machine control, and to get for the average citizen what he is guaranteed by the Constitutions of Pennsylvania and of the United States, but what he has not had, and that is a square deal.

NO MACHINE

This Administration has been much criticised by its friends for failing to build up a political machine. It could never have done its work if it had. No Governor can spend his time and use his power to build a political machine, or to run it after it is built, and still give the people the kind of government they pay for.

The Governor of Pennsylvania has great power. Therefore he need neither fear nor follow anyone but the people and his own conscience. That I have tried to do. Under this Administration the authority of the Commonwealth has been employed neither in political favoritism nor in political reprisals. It has been used in the interests of all the people.

It has frequently been pointed out that men were selected for public office by this Administration who, it was said, "controlled no vote but their own." That is true. They were not chosen to control votes, but to serve the people. Few cabinets have had so little political influence. Few or none have been so well able to serve the people and the State.

This Administration has done its best to put in office men and women who were more interested in doing a good job than they were in playing politics or in holding a good job. From first to last it has held that neither time paid for by the taxpayers nor official position under the State can properly be used for political purposes.

I do not mean that I put my enemies in office. I do mean that I required my friends to prove their competence before they could be appointed.

STANDARDS

The most dangerous thing in the public life of this Commonwealth is the debased standards of public life and public service which have been imposed upon the people, and ingrained in the thought of the

people, by the investors in politics during generations of magnate-controlled gang rule. These standards lie behind all the spoils, all the cheating, all the political corruption, which have so deeply hurt the Commonwealth.

How widely these corrupt and corrupting standards have been accepted appeared when many of my friends and supporters, especially at the beginning of this administration, urged me to treat public appointments purely as spoils. They asked me to stoop in my conduct of the public business to the practices of the gang, which I and they had so vigorously condemned during the campaign.

From first to last I have, of course, steadily refused to do so. Thereby I have lost some friends. But thereby also I hope I have helped to make it clear that there are some things of more value than immediate political advantage, that campaign pledges can be kept, and that here is one Administration which regards the service of the people as more important than the personal or political profit of any man or any faction.

PURPOSE OF ADMINISTRATION

The purpose of this Administration has been service to the people, not political success. I have not tried to make political capital for myself or any other, but to show what decent government can do for the average man.

From the day I declared my candidacy in 1922 I have had one central object, and only one. That object was to show the people of this State that the standards of public life and public service fastened upon them by long years of gang rule are false, needless, dishonest, costly, and wholly unworthy of the Keystone State.

My ambition has been to demonstrate that the Government of this Commonwealth can be run more successfully by throwing these false standards overboard, and that the people are better served when that is done. I wanted to prove that the open and honest way is the better way, that clean and unbossed government is possible in Pennsylvania, and that the gang is nothing to be afraid of. I wanted to shake the hold of bad old political habits on the minds and fears and consciences of the people.

This Administration has had three separate tasks. The first and simplest was to run the government; the next was to reconstruct the government; and the third was to fight the gang. At each of these three tasks it has done its best. It has feared no one, it has made no promises but public promises, it has gone into no deals, it has traded for no votes, and it has told the truth.

Being human, it has made mistakes. But whatever it has done, and whatever it has left undone, at least it can make honest claim to an honest effort to carry out its pledge to the people—to play

fair with the rank and file. How well it has served the Commonwealth will be decided not by the politicians, not by the special interests, but by the people themselves.

CREDIT

The chief credit for what has been accomplished during the last four years should not go to me but to the competent hard-working heads of Departments who have carried the heavy burden of producing more work for less money, and to the thousands of devoted public servants all over the State who have welcomed the opportunity to give better service to the people of this Commonwealth.

There is nothing of which I am more proud than the way the rank and file of the public servants of Pennsylvania have responded to the leadership of the new order. Without their devoted and effective service to the Commonwealth, what has been achieved would have been utterly impossible. Gladly and gratefully I pay them this well deserved tribute.

My very special thanks are due to the Governor's Secretary and the men and women in the Governor's office, whose untiring service, day and night, Sundays and holidays, has set a standard which in nearly forty years of contact with government employees I have never seen surpassed.

These servants of the State have done their work well. They are entitled to the commendation of the whole Commonwealth. Above all, they are entitled to protection in their positions without regard to politics so long as they continue to do their work well and are loyal to their superiors. The threats of wholesale dismissals which of late have been uttered so freely by small minded politicians, I, for one, cannot bring myself to believe.

THE EXECUTIVE MANSION

An incoming Governor might hesitate to recommend the erection of a new Mansion, but there is no reason why an outgoing Governor should not do so if the recommendation is justified. The present mansion is not properly adapted to the uses for which it was intended, and it does not permit of official entertainments suited to the size and dignity of this Commonwealth.

A new mansion ought to be provided. I can think of no better place for it than the location suggested by Mrs. Pinchot—that now occupied by the unsightly pumping station on the river front at North Street. With Front Street behind it and the river in front, a mansion could there be built (without interfering in any way with the walks now open to the public) that would be worthy of this Commonwealth and well adapted for its purposes.

THE BEST YEARS OF MY LIFE

These four years have been the best of my life. I have enjoyed them more than I can begin to say. There has been good fighting, and hard work. I have had the priceless support of loyal friends, and the almost equally welcome hostility of enemies whose opposition is a certificate of character and purpose.

Sometimes I have won. Sometimes I have been beaten. But win or lose, I have fought for what I believe to be right, I have fought for nothing that I was not willing to be beaten for if necessary, and I have made no fight that I would not be willing to make again under the same circumstances.

Altogether, these four years have been such as men seldom have the good fortune to enjoy. I am grateful for them beyond expression. As I leave the Governorship my most earnest hope will be that the good and pleasant work of serving the people, and the people only, will be continued unbroken by my successor, that something at least has been accomplished for the good of Pennsylvania during these four years, and that some contribution has been made toward bringing nearer the time when equality of opportunity will prevail in America.

The liberal movement to which Roosevelt gave point and power was checked when public attention was turned to the World War. Since the war that temporary check was continued because public attention was absorbed in the international questions which the war created. This gave the great industrial and financial interests their chance to consolidate their power. They seized it eagerly.

Nevertheless, and in spite of this interruption, the fight for the rights, dignities, and welfare of the American people will go on. In the unceasing conflict between plutocracy and sturdy democratic Americanism, the Americanism of Washington, Jefferson, Lincoln, and Roosevelt, the forces of reaction have won temporary victories. But true Americans everywhere indignantly reject the theory that it is the destiny of this Nation, or of any State within its borders, to be controlled by money.

Sure in the belief that the tide will turn, and turn decisively, toward the wiser ways of democracy to which our country was dedicated by noble and far-seeing men, millions of patriotic men and women are waiting to take up the progressive movement where it was interrupted, and carry it to its appointed and glorious conclusion.

January 4, 1927.

APPENDIX

SUMMARIZED REPORTS OF DEPARTMENTS AND COMMISSIONS

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THE DEPARTMENT OF STATE AND FINANCE

The fiscal mess that disgraced the Commonwealth of Pennsylvania particularly from 1919 to 1923 was cleaned up in the first two years of this Administration.

THE APPROPRIATION LIABILITY IN 1923

The Governor in his address to the Legislature when the first State Budget was presented in January, 1923, estimated that the appropriation liabilities on June 1, 1923 including deficiencies necessary to complete the work of the biennium 1921-1923, would be about $29,000,000.

The General Fund appropriation liabilities as of June 1, 1923, under acts passed prior to 1923, as reported by the Auditor General, were $25,376,033.82. In addition thereto deficiency bills for expenditures in the biennium 1921-23, including bills for the non-appropriated balances in the Teachers' Retirement System made by the Legislature of 1923, but unpaid as of June 1, 1923, according to the report of the Auditor General, amounted to $6,604,351.66.[1] This gave a total appropriation liability as of June 1, 1923 to be paid out of the income of the following fiscal biennium of $31,980,385.48, or $2,980,385.48 more than the Governor estimated in that address. About $21,000,000 of this liability was incurred in the last two years of the previous administration. Some of it went back to 1909.

This appropriation liability was due to the attempt of the State to spend more money than it had to spend.

THE UNCONSTITUTIONAL CURRENT DEBT

Not only did the State try to spend more money than it had, but every month bills due exceeded income. In the calendar year 1922 the State's current debt due and unpaid for want of cash averaged $13,000,000 per month. The high point was reached on August 31, 1922, when the State had current obligations outstanding to the amount of $18,384,219.46. This was in effect a debt despite the fact that the constitution prohibited borrowing in excess of $1,000,000 to meet a deficiency in revenue and no authority to borrow even that $1,000,000 had been granted anyone by the people or by the Legislature.

There were few accounts; and no uniformity among these. There were no fiscal records made for the Governor, and therefore no reports to him were possible by which he could guide the fiscal policies of the State. Not only was there no budget, but there was not even fiscal planning in advance of expenditure. Debts, like Topsy "Just growed."

THE COSTS TO THE TAXPAYER

The cost of such fiscal folly to the taxpayer amounted to many millions of dollars. Among such items of costs were the following:

(1) Out of a total of $7,809,512.14 carried in all deficiency bills and bills for non-appropriated balances passed by the Legislature of 1923 as approved.

1. The State lost interest on moneys due but not paid into trust funds. Thus, on July 31, 1924, $5,751,000 though appropriated was still due from the General Fund to the State Teachers' Retirement Fund. On that date the State Treasury also owed the State Sinking Fund $2,438,290—a total of $8,189,290 was due these two trust funds. Had these moneys been paid in promptly when appropriated the Funds concerned would have drawn in interest about $380,000 at 4% simple interest. This sum the next Legislature had to make good by direct appropriation. These trust funds should have full protection by the State to maintain good faith. Faith had not been kept even with the Sinking Funds for Highway bonds.

2. There were many indirect costs which bore heavily upon certain sections or interests of the State. Thus the Highway Department had not spent by June 1, 1923, for want of cash in the State Treasury, all the appropriations from the General Fund made to it in 1917, 1919 and 1921 by a total of $12,140,366.50. The Highway Department spent or obligated all this sum by the end of the construction season of 1924. The people of the State had to go from three to five years without the 175 miles of highway constructed by the Highway Department by the end of the calendar year 1924 out of moneys appropriated in 1917, 1919 and 1921.

3. Without any knowledge of the spending policies adopted by the different State agencies, each agency spent not only all it had but more than it had, if it elected to do so. It simply presented deficiency bills for such sums as it alone deemed desirable. Since the money appropriated to it was practically gone by the time the session started, the Legislature had little alternative other than to pass the deficiency bills requested. The Legislature of 1921 passed deficiency bills totaling $7,071,188.77 and the Legislature of 1923 passed deficiency bills totaling $5,812,547.14. These deficiency bills in effect were self appropriations. The Legislature of 1925 passed but $416,679.29 in deficiency bills as approved by the Governor despite the heavy cuts in appropriations made in 1923, and the deficiencies at the end of the present fiscal biennium if the policies now in effect are continued will not exceed $200,000 for the departments responsible to the Governor.

4. Institutions and other spending agencies had to borrow moneys due them on vouchers lying in the State Treasury but not paid for want of cash. The interest on the money thus borrowed amounted to a substantial sum every year. The sums thus spent had to be made good either by direct appropriations later or by postponed or poorer services.

5. Many spending agencies could not pay their bills as they came due because moneys were not available when due from the State Treasury. Merchants either lost interest on payments long overdue or they put up prices so that the State agencies paid all such interest and more in higher costs for goods and services.

6. School districts had been required by law to increase their expenditures, yet the moneys to help meet these increased costs were not paid to the districts when due.

7. Even day laborers, in some instances, had to wait for their wages.

There were other costs to the taxpayer due, not to trying to spend more money than there was to spend, but to negligence, low ethics, and extravagance in spending the money that was spent. Such cost included:

8. The padding of the public payrolls to the tune of at least a million dollars a year to finance the political faction in the control of the State Government.

9. A low morale among the employees of the State service. Many employees considered themselves on notice to serve first the politicians in control and only after that the public. A few employees practically never reported for public service, others reported when there was nothing else more profitable to do, and some carried on their private business in part while on public duty in public offices.

10. A lack of fair, complete and uniform standards for specifications for public purchasing; and purchasing methods that rewarded favorites in many kinds of public purchasing.

11. Contracts, such as the State printing contract which invited corruption, if it did not make it necessary.

12. An utter lack of any supervision of the fiscal policies of the State. No attempt was made even to get the information necessary to informed fiscal policies.

13. Keeping or caring for individuals in State hospitals or other State institutions at public expense who should not have been there at all.

14. The debasing of many of the services of the State into little more than salary grabbing patronage.

THE WAYS OUT

The Governor was elected to clean up this mess. Among the ways out that the Governor proposed were the following:

1. To prepare a budget for submission to the Legislature by the Governor that would balance appropriations with estimated income.

2. To secure for the Governor, through uniform accounts and fiscal reports, the information necessary to informed fiscal policies in handling the State's business.

3. To reduce appropriations as drastically as the public interest would permit.

4. To reorganize the machinery of the State on a business basis.

5. To assure competency and morale in the public service by retaining the fit and firing the unfit.

6. To allocate the usual lump sum appropriations for supplies, printing and binding and telephone and telegraph to the various spending agencies, in order that each agency would know in advance just what it could spend, and thus have both motive and necessity for rigid economy.

REDUCING APPROPRIATIONS

In addition to the appropriation liability noted above estimated at $29,000,000 but proving to be $31,980,385.48, the Budget had to meet necessary increases in appropriations to schools and other items later itemized amounting to $26,599,063, a total increase for new items never before required of $58,579,448.48. Emergency profits

taxes were passed estimated by the State Treasurer to bring in $16,000,000, but actually bringing in but $3,363,777.19 during 1923-25. This left $55,200,000 to be met by reduced appropriations and by the normal increase in existing taxes. The budget submitted to the Legislature of 1923, and passed substantially as submitted, reduced appropriations for the departments and agencies responsible to the Governor for comparable purposes an average of 26½% for the biennium 1923-25 as compared with the previous biennium.

The reduction in the appropriations for 1923-25 to the appointive departments in Harrisburg alone, other than the Highway Department, totalled $11,028,322.04. In other words the reduction in appropriations to these departments alone just about underwrote the appropriation liability of $12,140,000 for the Highway Department noted above. In this way also other appropriation liabilities were wiped out, so that the State was on a solid financial basis long before the end of the first two years of this Administration.

All of this was done and yet the appropriations for the common schools and for other local needs were increased. Thus the appropriation for subsidies to common schools[1] was $16,220,246 larger in the biennium 1923-25 than in the preceding biennium. The appropriation for the Delaware River Bridge was larger by $4,658,000 in 1923-25 than in 1921-23; the appropriation to the State Sinking Fund for 1923-25 was larger by $2,670,820 than for 1921-23; and to the Teachers' Retirement Fund was larger by $1,800,000.

The appropriation to the Mothers' Assistance Fund[2] was increased by $750,000 and $500,000 was appropriated for the payment of park lands actually purchased in the previous biennium. This is a total increase in these items alone of $26,599,066 as contrasted with actual receipts in revenue from the new emergency profits tax of $3,300,000.

The fiscal situation being cleared up by the end of the first fiscal biennium, more money was available for schools and for welfare institutions. With the Emergency Profits Tax discontinued and with no new tax burdens on the people, the appropriations for 1925-27 as approved amounted to approximately $10,000,000 more than in 1923-1925 for educational purposes, exclusive of deficiencies passed by the Legislature of 1923 for the previous biennium; $5,962,594 more for welfare work; $2,669,000 more for improving and protecting the health of the people of the State, including an increase of $1,799,000 for indemnity for tubercular cattle. In recommending and approving appropriations consideration was first given to the school and health and welfare needs of the people of the State and strictest economy was still enforced in the over head administration yet better results were secured for less money than was spent on comparable functions in 1921-23.

UNIFORM ACCOUNTS

The Administrative Code placed upon this Department the new duty of establishing uniform accounts. Uniformity of accounts are imperative if either the Governor or the Legislature are to be able to compare one item of expenditure with another.

(1) Exclusive of a deficiency of $3,430,000 for the biennium 1921-23 appropriated by the Legislature of 1923.

(2) Exclusive of a non-appropriated balance of $1,996,965 appropriated by the Legislature of 1923.

A uniform system of accounts and of reports for the several administrative departments, boards and commissions was made legally effective on the day the Code became a law: June 16, 1923. For the first time in the history of the Commonwealth comparable information can now be secured from all of the spending agencies for each type of expenditure such as salaries, supplies, postage, etc. Special accounting classifications have also been approved for hospitals, for normal schools and for universities, and special forms have been prescribed for automobile expenditures and for traveling expenses. The departments report each month as to expenditures under each of these accounts.

FISCAL REPORTS

If the State is to be kept on a cash basis, it is necessary to know the plan for all expenditures in advance in order that self appropriations by deficiency requests may be prevented by the Governor unless imperative to the public welfare, or to meet grave emergencies. To accomplish this end every spending agency of the Commonwealth (other than the Auditor General, the State Treasurer, and the Secretary of Internal Affairs) was asked to present a plan of expenditures by months in advance for the first year of each biennium. The Governor requested all of such spending agencies thus filing budgets to spend, if practical, but 45% of their total appropriations in the first year of the biennium, 1923-25, and in addition thereto to postpone capital or other expenditures where practical to the second year. This request was made in order that the State might be put on a cash basis as soon as possible. That having been done, to keep the State on a cash basis the spending agencies were asked to spend not over 48% of their total funds available for administration in the first year of the biennium 1925-27.

SAILING CHARTS FOR EXPENDITURES

From the information thus secured in advance as to the plans for expenditures by each spending agency sailing charts were prepared showing:

1. The expenditures by months in the previous biennium,
2. The plan of expenditures by months for this biennium,
3. The actual expenditures by months in this biennium.

Each spending agency, as well as the Governor, now has before it every month its own figures and its chart showing the trend of its expenditures.

RESULTS

The measures described above produced results. These results are illustrated in the summary shown below which gives for each calendar year from 1922 to 1925 inclusive, and for the first eleven months of 1926:

1. The average current obligations of the State due and unpaid for want of cash in the general fund on the last day of each month.
2. The average cash balances in bank credited to the general fund on the last day of each month.
3. The average amount of cash on hand in excess of the warrants and other obligations due or vice versa.

Averages for the year ending	*Settlements and Warrants on Hand*	*Cash Balances*	*Settlements and Warrants in Excess of Cash*	*Cash in Excess of Settlements and Warrants*
Dec. 31, 1922	$13,483,630.35	$452,059.00	$13,031,571.35	.....
Dec. 31, 1923	6,532,162.75	430,123.92	6,102,038.83	.....
Dec. 31, 1924	3,046,574.97	2,148,495.04	898,079.93	.....
Dec. 31, 1925	3,339,063.94	7,991,812.03	.....	$4,498,748.09
(Eleven months 1926)	2,403,118.20	11,962,929.17	.....	9,559,810.97

These figures show:

1. During the calendar year 1922 the State at the end of each month owed an average of $13,000,000 in bills due more than it had in cash to pay those bills.

2. During the calendar year 1925 there was a net average monthly balance of $4,500,000 in the State Treasury in excess of all obligations due and unpaid, and in the first eleven months of the present calendar year cash in hand at the end of each month has exceeded bills on hand by over $9,500,000.

The State has been put and kept on a cash basis. This has been done only by keeping expenditures down to a point below income. Had expenditures exceeded income, as there was strong pressure to do, the same old mess would have continued.

Of the old debt of $32,000,000, $29,400,000 had been actually paid off as of May 31, 1926 and it is estimated that $1,600,000 more will be paid off by June first next. Of the entire debt, only $295,677 will not be actually paid off. There will be money in the Treasury on June 1, 1927 to pay off all bills not then paid with a balance of $6,766,000 in the bargain. The summary shown below gives by appropriation years the balances making up the appropriation liability of June 1, 1923, and the amounts actually paid and estimated to be paid by May 31 1927.

STATEMENT SHOWING APPROPRIATION LIABILITY AS OF MAY 31, 1923 WITH ACTUAL AND ESTIMATED EXPENDITURES THEREFROM AND ESTIMATED UNEXPENDED BALANCES ON MAY 31, 1927

Appropriation Year	Appropriation Liability as of May 31, 1923	Credits to Liability 1923-1925 Biennium	Actual Expenditures 1923-1925 Biennium	Appropriation Liability as of May 31, 1923	Actual Expenditures 1925-1926	Estimated Expenditures 1926-1927	Actual and Estimated Expenditures 1925-1927 Biennium	Estimated Unexpended Balances as of May 31, 1927	
								To Lapse	To be Continuing
1909	$8,072.28	.....	$6,000.00	$2,072.28	$2,072.28	.....	$2,072.28	.....	.....
1911	18,797.35	.....	12,630.71	6,166.64	4,917.99	1,202.01	6,120.00	46.64	.....
1913	50,047.71	9,188.73	10,239.08	48,997.36	17,381.03	29,156.33	46,537.36	2,460.00	.....
1915	61,361.26	.....	46,391.84	14,969.42	14,871.14	.....	14,871.14	98.28	.....
1917	50,966.78	.....	11,680.79	39,285.99	20,066.68	15,000.00	35,066.68	4,219.31	.....
1919	174,911.29	.....	125,919.18	48,992.11	16,605.99	11,807.32	28,413.31	13,078.80	7,500.00
1921[1]	25,011,877.15	180,681.05	[2]20,681,220.93	4,511,337.27	[2]1,893,229.74	[2]1,519,867.75	3,413,097.49	810,062.48	288,177.30
1923 Deficiencies	6,604,351.66	1,111.30	6,541,651.62	63,811.34	6,344.00	40,899.09	47,243.09	16,568.25	.....
Total	31,980,385.48	190,981.08	27,435,734.15	4,735,632.41	1,975,488.85	1,617,932.50	3,593,421.35	846,533.76	295,677.30

(1) In addition to the Liability for Department of Highways appropriations there were outstanding refunds receivable of $49,031.79 as of May 31, 1923 and $418,788.62 as of May 31, 1925.

(2) These amounts are the actual and estimated reduction of the State's liability for the Biennums 1923-1925 and 1925-1927. The total expenditures as shown by the Department of Highways were in 1923-1925 $9,572,024.82 and in 1925-1927, $5,843,066.80. Included in these expenditures are amounts advanced by the State to local sub-divisions of $2,985,148 in 1923-1925 and $3,043,432 in 1925-1927, which is later refunded and is not a reduction of the liability.

STATEMENT SHOWING ACTUAL CASH BALANCE OF GENERAL FUND AS OF JUNE 1, 1925, ACTUAL AND ESTIMATED GENERAL FUND RECEIPTS, AND EXPENDITURES DURING THE BIENNIUM 1925-1927, AND THE ESTIMATED FREE UNENCUMBERED CASH BALANCE IN THE GENERAL FUND AS OF MAY 31, 1927

Cash Balance June 1, 1925		$4,690,707		
Less Settlements and Warrants due and unpaid in Office of State Treasurer		373.036		
Net Cash Balance June 1, 1925			4,317,671	
General Fund Receipts:				
Actual Receipts 1925-1926	71,300.950			
Estimated Receipts 1926-1927	62,851.660	134,152,610		
Estimated Receipts from Delaware River Bridge Toll Collections		414,313		
Receipts from Transfers 1925-1927		1,259,399	135,826,322	
Total Available for Expenditure June 1, 1925 to May 31, 1927				140,143,993
General Fund Expenditures:				
Appropriations passed prior to 1925, including 1925 Deficiency Appropriations, Balance as of June 1, 1925		13,553.391		
Add-Credits to Appropriations		370.191		
Total Liability on Appropriations prior to 1925		13.923.582		
Less Balances Estimated to be Unexpended 5/31/27				
Estimated to Lapse	2,190,803			
Estimated to Continue	458,915	2,649.718		
Expenditures from Appropriations prior to 1925			11.273,864	
Appropriations for 1925-1927 as passed		151.745,951		
Less—Vetoes	7.912,609			
Special Fund Appropriations	21.275.541			
Adjustment Appropriation	295,000			
Deficiency Appropriations	416,679			
Appropriations available prior to June 1, 1925	77.528	29,977,357		
Appropriations Available for 1925-1927 Expenditures		121.768,594		

Less Balances Estimated to be Unexpended 5/31/27				
Estimated to Lapse	679,548			
Estimated to Continue	114,982	794,530		
Expenditures from 1925 Appropriations			120,974,064	
Appropriations for 1926		254,497		
Less Balance Estimated to Lapse		5,912		
Expenditures from 1926 Appropriations			248,575	
Total Expenditures—1925-1927				132,496,503
Estimated Cash Balance May 31, 1927				7,647,490
Less—Estimated Continuing Balances-Appropriations prior to 1925			458,915	
Estimated Continuing Balances-1925 Appropriations			114,982	
Estimated Deficiency Requests from 1927 Legislature			307,404	881,301
Estimated Free Unencumbered Cash Balance May 31, 1927				6,766,189

The table on the next page gives comparative expenditures of appointive Harrisburg departments alone under the General Fund for salaries and wages, traveling expenses, telephone and telegraph, supplies, and printing and binding for each fiscal year[1] in the bienniums 1921-25 and the first fiscal year of the 1925-27 biennium.

For the same services under the General Fund in the appointive departments, salaries paid in 1925-26 were $541,000 below those paid in 1921-22 four years before although the work has enormously increased and the services vastly improved. Traveling expenses cost 10% less yet more traveling was done. The increase in the telephone bill was due only to the increase in rates charged by the telephone company. On the same basis of rates these expenditures also decreased. The cost of supplies was reduced by 13.9% in this period and the cost of printing and binding by one fourth. Moneys saved in these ways went to local school districts, and for other similar purposes.

(1) The basis for comparison of supplies is the yearly average for the previous biennium.

STATEMENT SHOWING COMPARISON OF CERTAIN COMPARABLE GENERAL FUND EXPENDITURES OF APPOINTIVE DEPARTMENTS FOR THE BIENNIUMS 1921-1923, 1923-1925 AND THE FISCAL YEAR 1925-1926.

	Total June 1, 1921 to May 31, 1922	Total June 1, 1923 to May 31, 1924	Total June 1, 1925 to May 31, 1926	1923–1924 Expenditures Over or Under 1921–1922 Expenditures		1925–1926 Expenditures Over or Under 1921–1922 Expenditures		Total June 1, 1921 to May 31, 1923	Total June 1, 1923 to May 31, 1925	1923–1925 Expenditures Over or Under 1921–1923 Expenditures	
				Amount	Per cent	Amount	Per cent			Amount	Per cent
Salaries and Wages	$5,923,085 70	$4,858,341 62	$5,381,669 43	$1,064,744 08	18.	$541,416 27	9.1	$11,407,916 37	$9,951,264 12	$1,456,652 25	12.8
Traveling Expenses	562,308 37	450,898 90	505,038 61	111,409 47	19.8	57,269 76	10.2	1,084,505 79	973,336 63	111,169 16	10.3
General Supplies and Equipment	304,949 00	175,500 19	262,701 20	129,448 81	42.4	42,247 80	13.9	609,898 00	450,990 34	158,907 66	26.1
Telephone and Telegraph (1)	57,734 01	(2) 63,830 09	62,295 96	* 6,096 08	* 10.6	* 4,561 95	* 7.9	114,731 92	126,522 16	11,790 24	* 10.3
Printing and Binding	250,831 20	111,598 33	167,663 78	109,232 87	49.5	53,167 42	24.1	398,106 70	380,225 81	17,880 89	4.5
Total	$7,068,908 28	$5,660,169 13	$6,379,368 98	$1,408,739 15	19.9	$689,539 30	7.6	$13,615,158 78	$11,882,339 06	$1,732,819 72	12.7

* Increase

(1) Expenditures for the Biennium 1921–1923 are from the appropriation to the Department of Property and Supplies only, the expenditures from departmental appropriations not being available. Expenditures for 1923–1925 and 1925–1926 include payments from departmental appropriations.

(2) The amount expended from Department of Property and Supplies appropriation was $44,553.66, a decrease of $13,180 or 23% under 1921-1922 expenditures.

ALLOCATION OF PRINTING AND BINDING COSTS AND OF SUPPLIES

The reductions shown in the preceding table in comparable expenditures for printing and binding and for supplies from the general fund for appointive departments in the years noted are due in the main to the allocation to each spending agency by the Executive Board of the maximum amount to be spent for these purposes by each department.

Previous to this allocation no department knew what its proper share of the general appropriation for supplies or for printing and binding was, and hence there was no motive either for economy in ordering supplies or printing or in care in the use of supplies or stationery. For instance, great quantities of pamphlets had been ordered in excess of actual use, to say nothing of any reasonable use. Now each department knows what it has to spend and the Governor is each month advised as to whether any department is exceeding its allocation.

COMPETENCY IN THE PUBLIC SERVICE

Previous to this administration, the salaries of about three-fourths of the employes of the State were fixed by the heads of the respective departments without consultation with other departments and with out complete, if any, knowledge of what other departments were paying for similar services. The salaries of the remaining one-fourth were fixed by statute. The result was inequality and unfairness in pay for the same work among the different spending agencies of the Commonwealth. To correct this evil the Code gave to the Executive Board the duty of classifying salaries.

Pending the report of this Board it should be said that the Executive Board immediately set itself to this task. The payrolls in the first year of this Administration for comparable expenditures in appointive departments under the general fund, as shown on the preceding table showed decrease of $1,064,744 or of 18% as compared with the first year of the previous biennium, despite an increase of 71% in the new Department of Public Welfare. This decrease was accompanied by an increase in the amount of public work done.

The decrease in salary expenditures with an increase in the work done was due in the main to:

1. Ridding the payrolls of employes performing little or no public service.
2. Giving all employes full time and necessary work to do.
3. Giving equal pay for equal work among the employes serving in the appointive departments.
4. Better morale among public employes.
5. Appointing, retaining and promoting only competent employes.
6. Special classes in typing, stenography, bookkeeping and accounting for State employes desiring promotion or better pay for more responsibilities or for better work.
7. Classification of duties and salaries for the Harrisburg positions.

At the time of adopting this classification for the Harrisburg positions the salaries of about 252 employes were reduced an average of

$17.00 per month, and the salaries of about 772 employes were increased an average of $16.00 per month. During the one and a half years ended May 31, 1924, 777 employes in the appointive departments under the General Fund were dropped from the payrolls and 471 were added, a total decrease of 306 or 10%. This was a 10% reduction in the number of employes as contracted with an 18% reduction in wages. The greater reduction in expenditures for wages than in the number of employes is due in part to the fact that many of the employes dropped from the payrolls had been receiving salaries well above a reasonable compensation for such work as they were doing.

The salary increases in the main were due to:

1. Increased responsibilities or work.
2. Promotions to more responsible positions.
3. Increases to unskilled and skilled workers, to bring their pay up to the pay received for the same work in private business.

THE BUDGET

The Governor submitted to the Legislature of 1923 the first State Budget in the history of the Commonwealth. This Budget was made despite the fact there were no records of any value and no cost records on which appropriations could be based. Yet it must be fairly said that that Budget withstood the tests of discussion and criticism and the acid test of time. For the Budget in 1925 valuable records were at hand. Both Budgets passed the Legislature in practically the amounts submitted as approved by the Governor.

Estimate blanks for the Budget of 1927 were submitted to the various spending agencies. These budget estimate blanks call for actual expenditures itemized according to the uniform classification of accounts noted above for the fiscal biennium 1923-1925 and for the fiscal year 1926, the estimated expenditures for the fiscal year 1927, and the budget requests for the biennium 1927-29. The budget figures thus secured were forwarded to the Governor-elect at the beginning of December, 1926, but without suggestion as to what sums should be approved for appropriation.

The new Bureau of Accounts established for purposes of preparing the Budget, and also for prescribing uniform accounts and for securing the fiscal information noted above, costs $70,000 for two years or less than three-tenths of one mill for each dollar of the State's expenditures, an overhead cost for fiscal supervision that is the lowest of any city or state for which comparable figures could be obtained.

STATE AID TO LOCAL FUNCTIONS

The extraordinary fact about State expenditures is the large per cent, going direct to the relief of local tax-payers, or to the aid of local institutions. Thus but 1.5 cents out of each dollar of the $25,380,000 estimated to be spent in this biennium for welfare purposes, goes to the cost of overhead administration by the Welfare Department, and 98.5 per cent or about $25,000,000, goes direct to State or local institutions to the relief of county taxpayers. The overhead administration of the Department of Public Instruction is but 1.4 cents for each dollar of the State's expenditures for all educa-

tional purposes. Of the $67,000,000 of the State's money to go to educational purposes in this biennium, over $66,000,000 goes direct to institutions and to the relief of the local taxpayer. Of the estimated expenditure of $117,000,000 to be made by the Highway Department, but 5 cents of each dollar goes for overhead and all the balance will go direct into local roads. For the State as a whole, 5 cents out of each dollar now goes for general administration, and 95 cents for local services.

Of the estimated total expenditures in this biennium from all sources for education, 62.5 cents out of each dollar go direct as subsidies to common schools, 8.4 cents go to the State's share of the Retirement Fund for public school teachers, 7.8 cents to normal schools for training teachers for the common schools, 3 cents for training of the deaf, the blind, and for other school subsidies, and 1.7 cents to the salaries and expenses of county superintendents. A total of 88 cents out of every dollar being spent for all educational purposes in the State in this biennium goes direct to common school purposes.

A far larger amount of the State's income has gone for local needs in this administration than ever before notably to meet educational, welfare and highway needs.

THE PERSONNEL DIVISION

Because salaries are such an intimate part of every budget, a special personnel division was established in the Budget Bureau at the instance of the Governor. The first duty of the division was to secure for the first time adequate rest rooms and other necessary conveniences for the women employes. New employes were helped to learn their new work. Special classes were organized, taught by State employes without extra compensation, to give opportunity for self-improvement and for better public service. More than 400 employes availed themselves of these opportunities.

The Health Department made, in addition, complete physical examinations of 260 employes at their own request. One nurse and one doctor has been kept on duty daily by the Health Department so that urgent cases could be cared for promptly.

This Division interviewed all applicants for State positions and performed a real service in helping Department and Institutional heads get the right person for the work to be done. Classifications have been reviewed periodically and the promotion lists were referred by the Governor to this Division for analysis and recommendation. Complaints of every variety were cared for. No effort was spared to do everything possible to assure the comfort and fair treatment of all the employes of the State. The details in the Classification of State employes were cared for in this division by request of the Executive Board.

OTHER FUNCTIONS OF THE DEPARTMENT

The business of the Department, other than the new fiscal duties discussed above, has materially increased in the past year and yet the running expenses of the Department for the administration of these duties have been much less than in the previous biennium.

PARDONS, DEATH WARRANTS AND PAROLES

The office of the Secretary of the Commonwealth from the earliest days has been the office of public record for the official acts of the Governor. In keeping with this plan the records as to pardons and paroles recommended to the Governor by the Pardon Board have always been kept in this office. The Governor can grant pardons, paroles and commutations only upon the recommendation of that Board.

The record shows an increase in the number of applications for pardons and a decrease in the per cent. of applications recommended from January 1, 1914 to September 30, 1926 as shown by the following table:

APPLICATIONS AND RECOMMENDATIONS FOR PARDONS AND PAROLES ISSUED, CALENDAR YEARS 1914 TO OCTOBER 15, 1926

Pardons Year	*Applications*	*Recommended*	*Percentage of Applications Recommended*	*Paroles Issued*
1914	151	90	55.5	547
1915	201	90	44.8	600
1916	187	80	42.8	758
1917	142	72	50.7	595
1918	226	100	44.2	734
	756	352	46.5	2,687
1919	209	55	26.3	646
1920	306	83	27.1	718
1921	316	98	31.0	589
1922	453	146	32.2	715
	1,284	382	29.7	2,668
1923	517	172	33.3	725
1924	679	153	22.5	856
1925	429	106	24.7	429
1926 (7 mos.)	260	63	24.2	449
	1885	494	26.2	2459

The number of applications for pardons and the number and per cent recommended as given above included inmates in county jails and reformatories or even those not in prison at the time of the paron but who desired pardons to clear their records.

Of the applications for pardons coming before it the present Board is recommending a smaller per cent by far than has ever been recommended before by any Pardon Board.

The increase in the number of applications has been due to two factors: (1) the growth in prison populations; (2) the marked increase in the number of commitments during the banditry wave of 1920. The majority of the recommendations made by the present Board has been made on the recommendations of judges or district

attorneys or both because of grave doubt as to the guilt of some of those sentenced at that time, or because of the severity of the sentence due to making an "example" of those not hardened offenders. The Board has generally refused applications for pardons for repeaters and has limited recommendations of clemency to youths worthy of a new chance unless under exceptional conditions such as new evidence showing grave doubt as to guilt. The small per cent of those thus pardoned returning to a life of crime shows the care with which recommendations have been made.

CONSTITUTIONAL ADVERTISING

For the first time the publishing of the proposed Constitutional Amendments in the newspapers of the State has been put on a strictly non-partisan basis. Previous to this Administration the practice had been to send out orders for constitutional advertising to a favored list of newspapers chosen with partisan purposes without ascertaining in advance any facts as to either rates or circulation.

By securing rates in advance and by the judicious choice of newspapers on the basis of rates and circulation only the cost of such advertising to the taxpayer has been reduced from 9.6 cents per line in 1922 to 7.6 cents per line in 1924 and 1926, a reduction of 21% in the cost of this one item alone.

COMMISSIONS FOR COAL AND IRON POLICEMEN

In the early months of this Administration, complaints were common to the effect that the State as issuing commissions to the privately paid policemen of the coal, iron and railroad companies who were wholly unfit for police duty. Investigation showed that the Commonwealth had been approving commissions of police officers for such companies without any inquiry into the character, ability or history of such policemen. Numerous instances were found of abuse of power, extortion, violence and law breaking by these officers of the law.

To prevent such abuses, Lieutenant George W. Freeman of the State Police Department, was put in general supervision of these commissions. Applicants for such positions were reqnired for the first time to file their applications in writing and give the pertinent facts as to themselves so that there could be some proper investigation of their character and trustworthiness. Since this supervision started, numerous applications by felons for commissions as Coal and Iron Police have been refused.

From June, 1922 to the present time, 4000 commissions have been issued. The special police commissions issued by the State now carry with them assurances that the individuals thus clothed with authority are law-abiding themselves and trustworthy. The uniforms of these special police officers have been made a badge of honor instead of a badge of suspicion. The public interest has been put above self seeking interests.

ELECTION AND LEGISLATIVE BUREAU

The records of the Election and Legislative Bureau show that the Legislature of 1923 passed 1020 bills as compared with 1060 in

1921. Of these the Governor vetoed 159 and approved 790, and 71 were withdrawn from the Governor for amendment and not re-passed.

The Legislature of 1925 passed 919 bills of which 143 were vetoed by the Governor and 32 were recalled. Sixteen joint resolutions were passed by the Legislature of 1925 proposing amendments to the State's Constitution as contrasted with fourteen passed by the Legislature of 1923.

THE COMMISSION BUREAU

The relations of Pennsylvania with other states have been carried on primarily through the Commission Bureau. From June 1, 1924 to June 1, 1926, this Bureau issued 1193 requisitions and warrants for prisoners escaped from or to this State, as compared with 1060 issued in the previous two year period.

THE CORPORATION BUREAU

Nearly twice as many papers were filed in the Corporation Bureau in each of the four years covered by this report as in both preceding years combined. In other respects the work of the Bureau has also increased. While doubling its work the Bureau has been run at a smaller expenditure than before.

ACKNOWLEDGMENTS

The competency, loyalty and good working spirit of the employes of this Department deserve special commendation. They have worked faithfully and in the finest spirit to do their bit to attain the high standards of public service desired by the Governor and daily lived by him. Whatever work the Department has done, and whatever public service it has rendered has been made possible only by the daily toil and loyal devotion to duty of each and every person in this Department. To the cordial cooperation of all department and institutional heads in budget matters we owe a special debt of gratitude; as that cooperation was given under the stern need of strict economy.

THE DEPARTMENT OF JUSTICE

To The Governor:

Pursuant to your direction, I make the following outline report of the work of the Department of Justice for the four years of your Administration.

Throughout this Administration the basic endeavor of this Department has been to interpret the law in the light of what could be done under the law to advance the public interest, and not merely what it specifically directed or required. Thus what the public good clearly demanded and the law did not forbid was adjugded legal.

This is the Roosevelt policy. It was followed in advising the Officers, Boards, Commissions, and Departments of the Government to go as far as possible under existing laws in protecting the public interest. Whenever doubts have been raised with regard to the powers of the Government to act for the protection of the public interest, I have sought to resolve those doubts in favor of the public; and with hardly an exception the advice so given has been sustained by the courts.

Generally speaking, the work of the Department of Justice during your Administration has far exceeded in volume that of any previous Administration. This was because:

First. The Department has taken a larger part in formulating legislation for the proper functioning of the State Government than at any other time in the history of the Commonwealth.

Second. There has been an enormous amount of litigation relating to the validity and interpretation of the laws imposing taxes.

Third. During your Administration an earnest effort has been made to enforce the prohibition laws, and this Department has given the fullest possible assistance in that direction.

Fourth. The 1923 Legislature established the Bureau of Securities, with the duty to protect the people against fraudulent securities. Much litigation followed with regard to the interpretation of the Securities Act, and also because of efforts to reverse the Bureau of Securities in refusing to license the sellers of questionable securities.

Fifth. As the result of the reorganization of the Executive Branch of the State Government in the first year of your Administration the responsibility for the many activities of the Government was so definitely fixed upon a comparatively few Department Heads, Boards, and Commissions, that all of the State's work went forward with renewed impetus. Many more requests for legal advice necessarily followed.

A. REORGANIZATION OF THE STATE GOVERNMENT

One of the pledges which you made to the people of Pennsylvania in your campaign for Governor was to reorganize the Executive Branch of the State Government. To do that legislation was indispensable. After serious consideration it was determined to prepare

one act covering the entire subject of reorganization. In consequence, the Administrative Code was prepared in this Department by Special Deputy Attorney General William A. Schnader, whose work in connection with it deserves the highest praise. No other act passed during this Administration, or many previous ones, compares with the Administrative Code in the breadth and reach of its influence upon the Government of Pennsylvania.

After the introduction of the Code into the Legislature, this Department also followed the measure through Senate and House, prepared necessary amendments, and explained the measure to committees of both Houses, with the result that it was finally adopted in very satisfactory form by an overwhelming majority.

After the Administrative Code became a law, the then State Treasurer questioned its constitutionality, and refused to pay the salaries of a large number of State employes on the ground that their employment was invalid because of the unconstitutionality of the Code. This Department mandamused the State Treasurer to make payments of all of the salaries in question in the case of Commonwealth ex rel. Woodruff vs. Charles A Snyder. The Court of Common Pleas of Dauphin County issued a mandate as prayed for, whereupon the State Treasurer appealed to the Supreme Court of Pennsylvania. Exhaustive briefs were filed both in opposition to and in support of the constitutionality of the Code, and the Supreme Court, in an opinion reported in 279 Pennsylvania 234 sustained the validity of the Act.

Subsequently Auditor General Samuel S. Lewis declined to make certain payments to creditors of the State because he alleged that in the reorganization authorized by the Administrative Code certain necessary legal details had been overlooked. One of the parties to whom payment was refused was the firm of Piccirilli Brothers, who had supplied the marble used in a memorial to General George Gordon Meade which Pennsylvania is erecting on the Capitol Grounds at Washington, D. C. Piccirilli Brothers applied to the Court of Common Pleas of Dauphin County for a mandamus to compel the payment of their account. The Dauphin County Court granted the mandate, and on appeal to the Supreme Court of Pennsylvania the action of the Dauphin County Court was affirmed in an opinion (282 Pennsylvania 328) which left little room for doubt that the reorganization accomplished under the Administrative Code was legally sound in every respect.

The Executive Branch of the Government of this State was formerly carried on through upwards of one hundred spending agencies reporting only to the Governor. It is now carried on through but twenty-one independent executive agencies, including the Departments in charge of the three elective executive officers—the Auditor General, State Treasurer, and the Secretary of Internal Affairs. The successful reorganization of the State Government is an outstanding achievement of your Administration in which this Department is proud to have had an important part.

B. RELATIONSHIP BETWEEN OFFICERS OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

For many years serious contentions have arisen between the several Executive Departments whose heads are appointed by the Gov-

ernor and the elected fiscal officers of the Commonwealth with respect to legal questions involving the expenditure of State funds. During the Administration of Governor Brumbaugh the fiscal officers declined to pay certain indebtedness incurred by the Department of Highways under the advice of the Attorney General. The refusal to pay was based on the allegation that notwithstanding the Attorney General's advice payment could not legally be made. Litigation resulted, and in the case of Commonwealth vs. Powell, 249 Pennsylvania 144, the Supreme Court sustained as sound the advice given by the Attorney General and ordered the fiscal officers to make payments accordingly. This litigation led to the passage by the Legislature of the Act of June 7, 1915, P. L. 876, which provided that whenever in the administration of State business by any executive officer of the Commonwealth legal questions arise it should be the duty of the officer concerned to submit them to the Attorney General for advice, and having received his advice, to follow it.

When the Administrative Code was written the provisions of the Act of 1915 were re-enacted in the Code without substantial change.

Notwithstanding the clear legislative intent expressed in the Act of 1915, and re-expressed in the Administrative Code, the fiscal officers of the Commonwealth during the first two years of your Administration, Auditor General Lewis and State Treasurer Snyder, took the view that they were not obliged to lay their legal difficulties before the Department of Justice for advice, and that even if advised by that Department, they were not obliged to follow the advice given. The necessary result of this refusal was to paralyze the conduct of the work of many other Executive Departments. Those Departments, before they incurred indebtedness in the name of the Commonwealth, consulted the Department of Justice, and acted as advised by us. For the fiscal officers then to refuse to pay valid obligations incurred by other Departments with the approval of the Attorney General seriously threatened the credit of the Commonwealth.

The situation became so serious that this Department called upon the Court of Common Pleas of Dauphin County to issue a mandate to Auditor General Lewis ordering him to lay before this Department many alleged legal difficulties which prevented him from paying claims against the Commonwealth; and having been advised by this Department thereon, to follow the advice given. The Dauphin County Court issued such a mandate. The Auditor General appealed to the Supreme Court, and the Supreme Court sustained the decision of the Dauphin County Court (Commonwealth vs. Lewis, 282 Pennsylvania 306).

At the same time the question of the right of State officers to employ counsel in Commonwealth cases involving other Departments was brought before the court, and both the Court of Common Pleas of Dauphin County and the Supreme Court of Pennsylvania held that under our statutes counsel can never be employed by an executive officer of the State Government without the approval of the Attorney General.

If the legal business of the Commonwealth were not centered in one Department; and if all of the other executive officers of the Commonwealth were not required to seek legal advice there, and

to abide by the advice when given, a condition little short of chaotic would be certain to follow, to the serious cost of the taxpayers and the certain injury of the public business.

From the standpoint of the orderly functioning of the Executive Branch of the Government, the maintenance of the State's credit, and the uninterrupted progress of the State's business, this litigation is second to none in the important work done by this Department during your Administration.

C. LAW ENFORCEMENT

By the Administrative Code of 1923 this Department, in addition to its other duties, was charged with the duty of taking such steps and adopting such means "as may be reasonably necessary to enforce the laws of the Commonwealth."

Originally the Attorney General was the State's chief prosecuting officer. Afterward, however, the election of district attorneys in the several counties was authorized by the Legislature. But there has never been any legislation or court decision to indicate that it was no longer the duty of the Attorney General to interest himself in the enforcement of the laws and in the prosecution of law breakers. Nevertheless direct responsibility for this function had been largely abandoned. When, therefore, the Administrative Code directed this Department to assume active responsibility for enforcing the laws of the Commonwealth it did not impose on the Department of Justice a new duty, but merely restated the Attorney General's duty as it has always existed.

Throughout our Administration this Department has taken action promptly and vigorously whenever and wherever needed in connection with the enforcement of the laws and the prosecution of offenders against the law.

When the Legislature refused to make an appropriation of $250,000 for law enforcement in 1923, the women of the W. C. T. U. generously and patriotically undertook to step into the breach and raise the necessary funds. They did so, and throughout your Administration this Department, by the help of the money thus privately contributed, has actively undertaken to see that the prohibition laws were enforced. With the assistance of the State Police we have procured evidence against bootleggers and breweries and, with the cooperation of District Attorneys in certain counties, have brought proceedings to padlock places where liquor was illegally made or sold, and have caused many prosecutions to be begun and relentlessly pressed which would otherwise never have been brought.

In addition, we have cooperated vigorously with the Department of Banking in apprehending and prosecuting offenders against the laws regulating banks and building and loan associations. In the Bell banks case in Pittsburgh we succeeded, for the first in Pennsylvania in many years, in securing a jail sentence for an offender of high financial and political standing. We have, I believe, assisted materially in teaching officers and employees of these semi-public institutions that if they betray their trust, arrest, prosecution, and punishment are certain to follow.

D. THE SECURITIES ACT

As already noted much litigation has arisen out of the administration of the Securities Act (Act of June 14, 1923, P. L. 779). In one case the constitutionality of the Act was attacked, but on appeal to the Supreme Court it was held that the Act does not violate any constitutional provision. Other cases have involved the interpretation of various provisions of the Act. Others have been appeals from the refusal of the Bureau of Securities to issue licenses for the sale of securities which the Bureau believed to be of questionable character.

In the last mentioned class of cases, the decisions of the Dauphin County Court are final. In this respect the Act should be amended. I do not believe that on any question involving the action of an important Executive Department, either the Commonwealth or a plaintiff against a Department, should be deprived of the right to have the case reviewed on appeal.

The net result of the extensive litigation has been to establish the Bureau of Securities and its administration on a sound basis. It is not exaggeration to say that there is no branch of the State Government which has done more during the past four years to safeguard the property of the citizens of this Commonwealth than the Bureau of Securities.

E. DEPARTMENTAL LEGISLATION

In 1925 with your cooperation this Department inaugurated a new plan for handling proposals for new legislation originating with the several Departments, Boards, or Commissions, whose heads or whose members are appointed by the Governor. You asked them to submit to this Department in advance drafts of all bills which they planned to have introduced. These bills were carefully examined, apparent defects were eliminated, improvements in substance or in form were suggested, and after consultation with the Department or Boards or Commission involved the bills were rewritten and prepared for introduction.

The result of this careful preliminary study of departmental requests for legislation was that all of these bills when introduced were better in substance and in form than ever before, so that the work of legislative committees to which they were referred was reduced in almost all cases to the simple question whether the committees approved or disapproved of the purpose of the bill.

Approximately ninety per cent of all bills so prepared for the 1925 session of the Legislature were passed. Exact figures are not available, but it is doubtful whether the Departments, Boards, and Commissions of the State Government ever before succeeded in securing the passage of so large a percentage of the bills introduced into the Legislature at their request as in 1925.

F. DELAWARE RIVER BRIDGE

As the completion of the Delaware River Bridge drew near the 1925 Legislature was persuaded to provide that it should be free of toll. The State of New Jersey, however, had morally bound itself to have such reasonable tolls charged as would result in paying off the construction expense as far as New Jersey was concerned. The

New Jersey authorities, therefore, insisted that toll must be charged. In the face of the law the Pennsylvania authorities were helpless to permit such charge. Consequently the two States found themselves in the unhappy position of being obliged to fight out their differences in the Courts, and the Pennsylvania Department of Justice instituted a suit before the Supreme Court of the United States under its original jurisdictional powers to have the matter determined.

On your recommendation, however, the Special Session of the Legislature in 1926 repealed the law against charging tolls, and authorized the execution of a contract between Pennsylvania and New Jersey for the collection of tolls. This Department assisted in the preparation of the agreement. Thus what might have been a source of hard feeling between two neighboring States for years to come found a happy solution, and instead of the taxpayers generally those who use the bridge for vehicular traffic during the next ten to twenty years will pay for it. The Treasury of the State will be benefited by many millions of dollars, and the City of Philadelphia, with the heavy burden of debt under which it is struggling and the prospect of a heavy increase in the near future, will also be relieved to an equal extent.

G. WATER POLLUTION

Long strides have been taken by the State through the Sanitary Water Board, of which the Attorney General is a member, to save the streams and rivers of the State from pollution and to start clearing them up where pollution has already taken place.

The order of the Supreme Court, obtained after extensive litigation, requiring all the mine operators on the Indian Creek watershed to discontinue discharging mine water into that stream has resulted in stopping the pollution from most of the mines. The others have obtained temporary permission to continue allowing mine water to flow into the creek pending the construction of a tunnel and ditch project, intended by the summer of 1927 to carry the mine water around the reservoir of the Mountain Valley Water Company and return it to the Youghiogheny River, which is already polluted from several other mining sources.

Other similar litigation has been instituted as the result of which the power of the Commonwealth, through the Sanitary Water Board, to prevent the pollution of streams will be judicially determined.

H. ANTHRACITE COAL TAX

During your Administration two cases involving the constitutionality of the anthracite coal tax have been argued in the Supreme Court of the United States. In both of them the act imposing the tax was sustained. A third suit is now pending in that Court in which the Hudson Coal Company is making a further effort to prevent the taxing of anthracite coal. Except for the Hudson Coal Company, practically all of the anthracite coal operators have accepted as final the two defeats suffered before the Supreme Court of the United States, and are paying the tax. I am confident that the Hudson Coal Company suit against the tax will also be won by the State.

The successful outcome of the coal tax litigation to date has already brought five and a half millions of dollars into the State Treasury.

The Attorney General's commissions allowed by law and paid into the State Treasury on these successful suits alone, are more than double the Attorney General's salary for four years.

I. TAX LITIGATION IN GENERAL

The Department of Justice has had its work increased more by attacks made upon various tax laws and various provisions of those laws than from any other one source. The number of cases which have been to the Supreme Court of the State or, as in the Anthracite Coal Tax cases and the Frick Estate case, to the Supreme Court of the United States, is so great that I will spare you the detail of the conduct of these suits and the results obtained. Suffice it to say that the outcome of this litigation has been more successful than we could have expected, and it is proab'e that unless some complicated new tax laws are adopted there will be a lessening of this form of court work for the Department; for the great volume of litigation during the past four years has settled many doubtful questions involved in the administration of our tax laws.

J. COLLECTIONS

During the last two years I have enlarged the Bureau of Maintenance Collections and the former Bureau of Escheats into a general Bureau of Collections which would, as soon as funds are available, not only continue the maintenance collections and the recovery of escheated money for the Treasury of the State, but would also take up one of the duties of the Department of Justice which during its entire history, has been much neglected, because of lack of funds, namely, that of general collections.

Escheat to the State in general has been recognized as a logical method of handling property the owner of which is not known. The principal and current escheating of this kind has naturally been from such sources as banks, trust companies, etc., and court officers and fiduciaries. A decision of the United States Supreme Court, three years ago, which did not condemn the idea of escheating moneys in the hands of banks after being there a reasonable time without identification, nevertheless held that the States had no control over National banks whereby such funds could be escheated by State law under the present condition of the United States statutes.

The Federal law should certainly be amended so that National banks will be in the same position in this particular as State banks. No bank has the moral right to hold funds, the ownership of which has been unidentified for a reasonably long period. To permit such holding and enjoyment of the use of money thus accidentally held by the banks is equivalent to an effort to allow them to withhold money from any owner when he desires to withdraw it legally. The State is the owner of all property when private ownership cannot be discovered. Moreover, there is no harm done to the actual owners or their heirs because the State returns, with interest, any of the money escheated promptly upon presentation of reasonable proof of ownership.

K. BOARDS AND COMMISSIONS

The Attorney General, and in one case a Deputy, have had their time overwhelmingly occupied by the following Boards and Commissions.

The Pardon Board has in the four years of this Administration acted upon 1,885 applications for pardon and commutation, of which 494 were recommended to the Governor, being 26.2 per cent, which contrasts with 29.7 per cent recommended in the four years 1919-22, 46.5 per cent in the four years 1915-18, and 55.5 per cent in 1914. The present Pardon Board has thus been materially more strict than its predecessors; but I am convinced that the laws should extend the machinery for parole or conditional sentences so that practically all prisoners who are released prior to the expiration of their sentences, except those believed to be innocent on after-discovered evidence, shall be released on parole instead of by pardon. This would enable apparently worthy prisoners to obtain relief and yet protect the public by penalizing further misconduct on the part of the persons released.

The Attorney General sits also on the Board of Finance and Revenue. This Board was put far behind in its work on account of an obstructional effort by State Treasurer Charles A. Snyder in an action against the Board and its members to keep them from sitting. The Courts dismissed the petition of the State Treasurer and fortunately the Board will leave its business practically up to date at the end of this Administration.

The Attorney General is also a member of the Sanitary Water Board, which has important duties to perform.

He is also a member of the Alcohol Permit Board, created by the Special Session of the Legislature in February, 1926. Its work consumes more of the Attorney General's time than he can afford to devote to the activities of any one Board. I recommend that the Legislature be requested so to amend the act as to enable a Deputy Attorney General to be designated to serve on the Board in order to relieve the Attorney General for his other work which must suffer, if too much of his time is demanded by any one or all of the Boards of which he is a member.

Very wisely the law providing for the Delaware River Tri-State Commission provided for a Deputy Attorney General to represent Pennsylvania. Otherwise the Attorney General would have been swamped with board and commission work. Under the supervision of Deputy Attorney General Philip P. Wells, who also carried the burden of the work for the Giant Power Board, of which the Attorney General is a member, and for the Water and Power Reserve Board, the Commission finally concluded a compact between Pennsylvania, New York and New Jersey, providing for the wise use of the waters and water resources of the Delaware River. The Legislature of New York promptly ratified the compact and the Pennsylvania Legislature would have confirmed it also, if it had not been that the New Jersey Legislature acted adversely. The compact has been rewritten to meet objections and with new form will be ready for confirmation by the States as soon as New Jersey has fallen in line, or it has been amended so that opposition will cease.

L. GENERAL COURT WORK

The following table represents some of the general activities of the Department of Justice in the Courts of the State and of the United States from January 1, 1923, to December 1, 1926:

Quo Warranto Proceedings in Dauphin County	104
Equity Proceedings in Dauphin County	26
Equity Proceedings instituted in other Counties	11
Actions in Assumpsit instituted by the Commonwealth of Pennsylvania	4
Orders to Show Cause, etc. against insolvent companies and associations	5
Mandamus Proceedings in Dauphin County	28
Cases argued in the Supreme Court of Pennsylvania	92
Cases argued in the Superior Court of Pennsylvania	9
Cases argued in the Supreme Court of the United States	12
Tax Appeals in Common Pleas of Dauphin County	126
Cases now pending in the Supreme Court of Pennsylvania	17
Bridge Proceedings under Act of 1895, P. L. 130, and supplements	2
Insurance charters approved by the Attorney General	22
Bank and Trust Company charters approved by the Attorney General	151
Formal opinions rendered in writing	311
Appeals from decision of Mercantile Appraiser and County Treasurer	9
Appeals to Dauphin Common Pleas from order of State Banking Commissioner under Securities Act of June 14, 1923	59
Proceedings under Acts of 1919, P. L. 177, and 1921, P. L. 211, for refund of moneys erroneously paid into the State Treasury	5
Appeals to Workmen's Compensation Board from award of Referee	1
Cases now pending in United States Supreme Court	3
Appeals to Court of Common Pleas of Dauphin County from Transfer Inheritance Tax	4
Appeals from Judgment of an Alderman	1
Appeals from settlement of Claims made by Auditor General	5
Proceedings for the collection of unclaimed moneys deposited in Banks, without Escheat	3
Legal Proceedings against Alcohol Permit Board of Pennsylvania	1

M. MONEYS PAID DIRECTLY OR INDIRECTLY INTO THE STATE TREASURY JANUARY 1, 1923, TO DECEMBER 1, 1926, ON ACCOUNT OF LITIGATED CASES CONDUCTED BY DEPARTMENT OF JUSTICE AND ON ACCOUNT OF MORE DIRECT COLLECTIONS

	Prineipal Amount	Interest Penalties	Atty.Gen'l's Commissions
Maintenance Collections (Insane and Feebleminded)	$1,043,213.37	.....	.....
Escheats (Banks, Fiduciaries, etc.)	477,811.29	.....	.....
Anthracite Coal Tax	5,364,214.25	30,399.78	7,211.35
Corporatien Taxes (exclusive of Anthracite Coal Tax)	214,285.08	26,237.77	9,750.81
Inheritance Taxes (exclnsive of taxes in which collection expenses not paid from Department of Justice appropriation)	56,773.70	6,721.50	.....
Total	$7,156,297.69	$63,359.05	$16,962.16

N. PERSONNEL OF DEPUTY ATTORNEYS GENERAL

Usually an Attorney General will find, upon assuming his duties, a quantity of litigation so nearly ready to come on for argument in the Courts that he can economically utilize, temporarily, the assistance of Deputy Attorneys General appointed by his predecessor. I have tried to make sure that funds of the current appropriation shall be available so that my successor can meet emergencies of

this kind without asking for a deficiency appropriation. The Deputies appointed by me have changed to a considerable extent. The first appointments were: James O. Campbell, John Robert Jones, Robert L. Wallace, John N. English, J. W. Brown, and Philip P. Wells, first as Special Deputy in charge of power and water resources legal questions and later as a regular Deputy. William A. Schnader was appointed Special Deputy Attorney General to draft the Administrative Code and has continued throughout the four years because of his extreme value, among other things, in the interpretation of that Act and in the conduct of litigation on behalf of the Commonwealth, first of all concerning the Administrative Code, and later other matters which were of peculiar and great importance to the public welfare. Since that time, due to resignations and the like, I have appointed other Deputies, who have also resigned. The present force of Deputies consists of James O. Campbell, Philip S. Moyer, Philip P. Wells, M. A. Carringer, Wm. Y. C. Anderson, and Leon D. Metzger. Special Deputies are: William A. Schnader and Penrose Hertzler, with their official locations in Harrisburg, and Robert M. Ewing, for Pittsburgh, and Edward F. Hitchcock, for Philadelphia.

Besides the above, John Fox Weiss, Counsel, and Wendell Y. Blanning, Assistant Counsel, of the Public Service Commission, and David J. Smyth, Counsel to the Delaware River Bridge Commission, are appointees of the Attorney General.

O. FINANCIAL NEEDS OF THE DEPARTMENT

The growth of the Department has been for many years greater than the increase of appropriations, so that you and the Budget Officer were convinced at the end of our first biennium that the Department had been in former Administrations, and was in this Administration, unable to perform all the duties imposed upon it by law because of lack of appropriation. The Budget Officer consequently recommended to the Legislature, through you, an increase of about $100,000.00. The Legislature refused the bulk of this increase, and therefore the Department during our second biennium was again short of necessary funds.

The result of this shortage of funds has been that certain departments which are badly in need of the constant service of special deputy attorneys general have not been able to have such assistance assigned to them, and that even in the work which has been done by this Department, the necessity of constantly curtailing expense has been a serious handicap. Moreover, had the funds asked been granted, the collections of revenue made by this Department would have been increased many times beyond the amount needed to set all these things right.

Accordingly, I call attention again to the urgent need for the Legislature to appropriate to this Department an amount for my successor similar to that which I asked for myself two years ago. Such funds could be so used that the extra amount appropriated would be returned to the Treasury many fold.

P. CONCLUSION

I would be derelict in my duty if I failed to recognize and report that the entire personnel of the Department of Justice has at

all times during your Administration conducted itself with the greatest loyalty, energy, and efficiency. The earnestness and devotion to their duty on the part of the Deputy Attorneys General is largely responsible for the important results which have been achieved during this four-year period; and their devotion and efficiency has saved to the Commonwealth actually tens of times their salaries in saving of outside attorneys' fees.

Respectfully yours,

GEORGE W. WOODRUFF
Attorney General

ENFORCEMENT OF THE 18TH AMENDMENT IN PENNSYLVANIA

One of the most important policies of the administration has been the enforcement of the 18th Amendment. From its inception this administration has stood militantly against those who, for their own evil purposes, sought to make this part of the Federal Constitution a by-word and a nullity. Prohibition measures equalling in every respect the federal laws have been placed upon the statute books of the Commonwealth. With the aid of these measures the administration has fought illicit rum traffickers in every part of the State and today it can be said, without any exaggeration, that observance of the 18th Amendment in Pennsylvania—while not all that it should be—is greater than in any state of similar size and character in the Union. This has been accomplished notwithstanding obstacles placed in the administration's path by the dominant political organization.

The record of achievements in the field is set forth in the following report to the Governor by Wm. Burnet Wright, Jr., special counsel in charge of law enforcement:

I beg to advise you in this report of conditions of lawlessness and handicaps to enforcing the 18th Amendment which confronted you upon taking office, the change for the better which has taken place in those conditions, the methods used to bring about that change, and the permanent results you have accomplished; and to point out how violations of the 18th Amendment can be reduced and kept to the minimum, and be no greater than violations of any other law, if the work you have begun and carried forward so successfully is continued by the incoming state administration.

CONDITIONS IN 1923

The 18th Amendment had been in effect since January, 1920. It provided for concurrent action on the part of the states for its enforcement. Pennsylvania had ratified it.

In January, 1923 you took office. At that time no state in the Union presented a more difficult law enforcement problem to a Governor, pledged, as you were, to enforcement of the 18th Amendment, than did Pennsylvania. Wet New Jersey, with its rum row off the coast, was on the East; on the South, wet Maryland, with its great alcohol production and whiskey warehouses; on the North, New York State with its wet Governor, and nullification spirit ready to

triumph in the repeal of the State Enforcement Act; at the South end of the State was Philadelphia, the port of entry from the Atlantic; and at the northwestern end of the State was Erie, the port of entry from Canada.

Inside Pennsylvania the conditions in the beginning of 1923 were:

First. No other state in the Union so combined within its borders the three great sources of illegal drink, as did Pennsylvania. More whiskey was stored in the Pittsburgh Revenue District, according to the official report of the U. S. Internal Revenue Bureau, than was stored in any state of the Union except Kentucky; more denatured alcohol was produced and removed for use in the Philadelphia District alone than in any state of the Union except Maryland and Louisianna; and more beer and cereal beverages were produced in the Pennsylvania breweries than in any other state of the Union except New York.

Second. Federal enforcement of the 18th Amendment had broken down completely in Pennsylvania, and a Federal Prohibition Director and other officers had been indicted for conniving with big bootleggers. President Harding frankly admitted this breakdown over the entire country, when, referring to that Amendment in his message to Congress on December 4, 1922, he said: "In plain speaking there are conditions relating to its enforcement which savor of nation wide scandal."

Third. Whiskey was being illegally removed from warehouses in the Pittsburgh District; alcohol was being diverted into bootleg channels by the millions of gallons in the Philadelphia District; and breweries were pouring out high-powered beer all over the State. These violations were going on without convictions or long prison sentences for any of those at the top responsible for such flagrant law breaking. In fact at Pittsburgh, the U. S. District Attorney had quashed indictments against big bootleggers and politicians, one having been against the Superintendent of the Overholt Distillery for releasing on fraudulent permits over 45,000 gallons of whiskey. In the Middle District the U. S. District Attorney had shown no interest in stopping big liquor violators. It took him over 18 months to close, through injunction and criminal proceedings, one of the most lawless breweries in the State, the Keystone of Dunmore. In the Eastern District the U. S. District Attorney had secured no convictions of big bootleggers or notorious members of the crooked alcohol ring. He even failed hopelessly in his efforts to convict a state politician who, while prohibition director of Pennsylvania with headquarters at Philadelphia, in the brief period of three months, allowed to be released on fraudulent permits over 700,000 gallons of intoxicating liquor. Prior to 1923 not a single one of these U. S. District Attorneys had closed a single lawbreaking place by injunction. By their inaction and worse in law enforcement matters they had encouraged the big liquor law violators and dispelled all their fears of Federal enforcement.

Fourth. The saloons, for generations the principal outlet for brewers' beer and distillers' whiskey, were flouting the Constitution and doing business as if the 18th Amendment had never been passed. They were licensed by local judges of the Common Pleas Court under a State statute, which was a fraud upon its face, because saloons

could not obey it and exist. They could not pay expenses, much less a license fee, unless they broke the law and sold liquor with more than one half per cent of alcohol in it. Consequently saloons were running practically as in the old days prior to the 18th Amendment, defiant of all law, openly and boldly selling whiskey and high-powered beer, with drunken men buying and hanging about in them and resultant fights and disorderly brawls.

Fifth. The breweries and alcohol distilleries, the great illegal liquor producing sources, were pouring out for the bootleg trade their high powered beer and poison alcohol. The federal authorities had not troubled them. They acted as if they felt certain that the State authorities could not interfere with the outlet for their products, the saloon.

Sixth. Philadelphia was the center and principal market for the huge crooked alcohol business of the country. There, fortified with Federal permits to operate, lawbreaking distilleries and denaturing plants were producing poison alcohol, and bonded dealers and wholesalers were marketing the product. Fake manufacturers of toilet waters, hair tonics and tobacco sprays, under permits granted by the Federal Government, were doing business in Philadelphia as nowhere else in the country. The alcohol withdrawals by these fake manufacturers amounted to hundreds of thousands of gallons anually, which were diverted into bootleg channels for poison drink. Over 50 such Federal permit holders brought before a Federal U. S. Grand Jury in Philadelphia were described in its report as follows:

> "We have called before us in the neighborhood of 50 of these permit-holders; have looked at them; examined them; noted their type; their character, their evasive replies; their irregular ways of doing business; their irregular ways of disposing of their goods, their lack of experience. We have inspected a number of their so-called manufacturing plants; have seen their suposed equipment.
>
> "All of which leaves no room for doubt as to the illegality of the whole business. Some of these permit holders were erstwhile policemen, drivers of bread wagons, plumbers, tailors, jewelers, newspaper vendors, salesmen who could not state definitely what they sold; manufacturers of clothing and other things which they could not state definitely where they previously manufactured; all of just the type and character which would be drawn into this business because of the actual and reputed easy money made through a diversion of the alcohol."

The Federal Government had failed, and still fails, to exercise its power to wipe out all these great sources of illegal liquor, through its absolute control of them under the permit system. That system in the fall of 1923, Federal Commissioner Haynes at the meeting of Governors at the White House said:

> "Under the law, the Federal Government alone has the responsibility for the conduct of the permit system. * * * The proper supervision of the permit—or preventive enforcement—means fewer actual violations."

LAW ENFORCEMENT HANDICAPS IN PENNSYLVANIA

Upon taking office you faced the lawless situation I have briefly outlined, with no State Enforcement Act designed to wipe out those conditions and to aid in enforcing the 18th Amendment. The Constitution of Pennsylvania required you as Governor to "take care that the laws be faithfully executed." But with that command no authority was conferred upon you as the Commonwealth's chief executive, such as the Governor of New York has, to remove elected officials for failure to do their duty. In Pennsylvania every elected official, though sworn to enforce the law is immune from removal by the Governor except "after due notice and full hearing, on the address of two thirds of the Senate" no matter what the offence he commits, even to conniving with bootleggers. Futhermore, the Governor of Pennsylvania has no power as has the Governor of New York, to call a special Grand Jury to investigate lawbreaking anywhere in the State, nor to designate the Attorney General or a deputy to present cases of lawlessness to such a Jury, nor to appoint a special term of Court to try lawbreakers indicted by such a jury, nor to designate a judge sympathetic with law enforcement to hold such a term of Court.

This lack of the most effective means of seeing that the law is enforced was bad enough. It was made worse by the fact that the State political machine was and for many years had been allied with the liquor interests. The Republican State machine of Pennsylvania was so allied in 1923, and had been for many years. Many county political machines were likewise so allied with or controlled by the liquor interests. Notoriously was this the situation in Philadelphia and Pittsburgh where no respect was paid to the 18th Amendment to the Constitution of the United States or to the National Prohibition Act.

In Pittsburgh a special committee representing thousands of law abiding citizens, had endeavored repeatedly but without success, to secure some enforcement of the National Prohibition Act, as letters from this committee to Attorney General Daugherty, Commissioner Haynes and Secretary Mellon show.

This committee, of which James H. Gray, now judge of the Common Pleas Court in Allegheny County, Dr. Daniel L. Marsh, now President of Boston University in Massachusetts, and Dr. W. I. Wishart, ex-moderator of the General Assembly of the United Presbyterian Church of the United States, were members, in its letter to Attorney General Daugherty, referring to the U. S. District Attorney for the Western District of Pennsylvania and to his First Assistant, said:

> "During their administration the enforcement of law, particularly of the Volstead Act, which is very largely in the hands of the District Attorney's office, has become a farce."

and writing to Commissioner Haynes the committee said:

> "It is not the propaganda of the 'wets' when we say that practically every brewery in Western Pennsylvania, is operating; that saloons by the hundreds in this city are selling real beer of illegal alcoholic content."

and to Secretary Mellon the committee wrote:

"The conditions in Pittsburgh and Western Pennsylvania have been most disgraceful. We trust that you will advise Commissioner Blair of the Internal Revenue Department to make every effort to break the combination which seems to exist between some politicians and some enforcement officers in the illegal liquor traffic.

"Since the Internal Revenue Department, as well as the Prohibition Department comes under your jurisdiction, we are asking you to support this work."

The liquor interests, where dominating local political machines, nominated and elected judges or prosecuting attorneys or jury commissioners who had little or no sympathy for liquor law enforcement. In other words prior to your inauguration in January, 1923, practically nothing had been done in this State to compel observance of the 18th Amendment in those sections of Pennsylvania and in those cities where its violation was flagrant.

CHANGED CONDITIONS IN 1926

In 1923 the Liquor interests seemed entrenched behind an impregnable wall. As soon as inaugurated, you started to batter at the wall and to carry out the State Constitution's command "to take care that the laws be faithfully executed." In the field of greatest lawlessness and least enforcement,—the violation of the 18th Amendment,—you began to work. Some of the results accomplished are:

First. The licensed saloon has been driven from Pennsylvania.

Second. A State Enforcement Act, whose constitutionality has been upheld by the Supreme Court, authorizing the closing tight by injunction and from use for any purpose for a year (padlocking, as the expression goes) saloons or any other places where liquor law violations have gone on, is on the statute books of Pennsylvania. That statute for enforcing the Eighteenth Amendment, called the Snyder Armstrong Act, you literally wrung from the Legislature in March 1923. But that same legislature, under the leadership of the wet Philadelphia Vare machine, though sitting almost five months, refused to provide any special funds for your enforcement of the act. Its effort in that way to prevent your carrying out the law was frustrated however, by the patriotic women of the Penna. W. C. T. U. Under the leadership of their noble president, Mrs. Ella M. George, they came forward and raised the money which has made possible the accomplishment of the great results of your enforcement work.

Third. Hundreds of saloons flouting the law and boldly selling poison liquor in 1923 have been closed and are gone in cities where injunction proceedings have been brought and orders secured padlocking their premises from all use.

Of 665 saloons found lawlessly running in 1923 in 33 cities and towns selected from all over the State, including its worst sections, 403 were closed and gone in 1926. New saloons have not taken their places.

To best show the great change which has been brought about, I will cite a few typical examples of the conditions we found in saloons running boldly and lawlessly in 1923 which are now gone

with no new ones in their places. These examples are from the northeastern, eastern, southern, western and north western sections, which were the worst in the State.

SALOON EXAMPLES

Watties Chop House, a saloon at 617 Lackawanna Ave. in Scranton, was openly and boldly selling whiskey over the bar at 50 cents a drink, high-powered beer at 10 cents a small glass (both in large quantities) with no secrecy or evasion whatever; 30 men at the bar, two deep, three drunk, and others under the influence of liquor were found on one visit; 16 at the bar with several under the influence of liquor at another visit, and 17 and 2 drunk at still another. Today (1926) that saloon is gone, and the premises have been remodeled for stores. 29 other Scranton saloons of 1923 are also closed and gone.

In Wilkes-Barre, a saloon called the "Bucket of Blood" at 13 So. Pennsylvania Avenue, one of the worst resorts in the city, with the old back room a soliciting place for prostitutes, was boldly selling whiskey over the bar at 50 cents a drink, and high-powered beer at 25 cents a glass in 1923; when visited, 16 men were found at the bar and 5 drunk, with men and women also drinking in the back room. The saloon is now gone, after being padlocked; and 16 other saloons of 1923 have also been closed in Wilkes-Barre.

In Hazleton, the saloon at 120 E. Broad Street was selling whiskey over the bar in 1923 at 50 cents a drink; high powered beer at 10 cents a glass. At its bar on one visit 11 men were found, 4 very drunk, and on another 24 men were drinking beer and whiskey. This saloon is gone, and the premises have been remodeled and changed into a fine, up-to-date meat market. Thirteen other 1923 saloons in Hazleton have also been closed.

In South Bethlehem in 1923 the Majestic Hotel Saloon, 600 E. 3rd Street, near the Bethlehem Steel Works, was selling very boldly and openly, without any secrecy or evasion, high-powered beer, and great quantities of moonshine whiskey at 15 cents a drink; at one visit about 5:30 in the afternoon 11 glasses of this whiskey were on the bar when the investigator entered the saloon, and before leaving 25 men had visited the place, the majority drinking this slow poison. This place was padlocked by the Court for a year and is now gone, with 13 other 1923 saloons in So. Bethlehem closed.

In Easton the saloon at 50 Centre Square in 1923 was selling whiskey very openly and boldly over the bar, without any camouflage, and high-powered beer at 10 cents a glass. When visited, there were 30 men counted at the bar drinking beer and whiskey, some of them very disorderly, and several of them drunk. The saloon was padlocked and is now gone. In Easton 20 other saloons of 1923 are also closed.

At Lancaster the Arcadia saloon and restaurant at North and Grant Streets, 1923 was one of the worst resorts in the city with whiskey sold at the bar and tables in the dining

room; 10 men were found drinking at the bar, 2 drunk; and more than 10 men and girls drinking at tables in the restaurant, to which whiskey and bottled beer were brought by young girl waitresses; several men at the tables were under the influence of liquor, 2 very drunk. This saloon is now gone in spite of the attitude of the local Judges, and 6 other 1923 saloons with it.

The Washington Hotel saloon at Johnstown in 1923 sold openly over the bar, whiskey at 35 cents a drink, and high-powered beer at 10 cents a glass mug, so boldly that the bar-tender asked patrons "Don't you want whiskey?" As the investigator was entering the saloon, 3 drunken men came reeling out, while inside he saw 5 drinks of whiskey sold in 10 minutes, with 8 men at the bar, 6 drinking whiskey and 2 very drunk. This place is now closed and gone as are 23 other 1923 Johnstown saloons.

In Erie, the big saloon at 802 W. 18th Street was one of the most lawless drinking places in that city, running several gambling devices, and selling whiskey boldly at 50 cents a drink (pouring it from a quart bottle with no secrecy at all), and very high-powered beer at 50 cents a bottle. When visited there were 10 men at the bar, 2 under the influence of liquor, and 4 drinking whiskey. This saloon is gone, the old premises remodeled, and is now occupied by a large, up-to-date drug store. 45 other 1923 saloons in Erie are closed and gone.

In Pittsburgh (despite the delays of the Court) 23 of the 53 saloons against which injunction actions were started in October, 1924 quit business, though, after almost continuous effort, no order has as yet been secured from the Court directing the Sheriff to padlock a single saloon. Here is an example from the 23-saloons we found gone in 1926.

The saloon at 115 W. General Robinson Street in 1923 was selling whiskey in large quantities, very openly and boldly, at 25 cents a drink for white mule, 50 cents for a better grade in bottles, and very high-powered beer at 15 cents a small shell glass. Its back room was a bad soliciting place, and when visited, was crowded with lewd women and men at the tables drinking whiskey and beer brought from the bar, where 9 men were found, 2 drunk. This place was closed and gone in 1926.

And here is an example of the saloons still allowed to remain open by the Court's delay:

The Saloon at 309 W. Lacock Street was selling in 1923 whiskey, gin and white mule openly and very boldly over the bar at 25 cents a drink, and very high-powered beer at 15 cents a glass. The whiskey was poured from pint and quart bottles, the bar-tender on one visit shouting to a man "Hurry up, what do you want, whiskey or beer? It's Saturday night and we are busy."; and then grabbing a bottle, poured out drinks, with several whiskey glasses standing on the bar. The back room of this saloon was a very bad soliciting place crowded with men and women drinking

whiskey and beer, which waiters brought from the bar. The saloon was in the heart of the north side vice district, had 3 bar tenders, and when visited 18 men and young fellows were at the bar, 4 very drunk, and others under the influence of liquor.

In Philadelphia, where no injunction action was started until we had blazed the way for such procedure, General Butler, as a result of our exposure of the lawless liquor business going on in the city, in the Fall of 1923, was made Director of Public Safety. With his able assistant, Mr. Elliott, now Director, he drove continuously at the saloons with the result that during the last two and a half years over 175 of these old lawless saloons have been padlocked, and all told over 500 have closed and gone out of business. Here are examples:

In Philadelphia, at Herrmann's saloon Cafe at 1217 Columbia Avenue, for years a notorious resort frequented by women soliciting for immoral purposes, there would be found, when visited in 1923, from 50 to 100 men and women at the cabaret tables, drinking (at 60 cents each) highballs which were mixed at the bar, where from 5 to 25 men would also be drinking whiskey, or high-powered beer at 10 cents a small glass or 25 and 50 cents a bottle. This place is gone. The building has been razed, and a new structure occupied by a laundry company has been built in its place.

At Logan's saloon at 837 Arch Street, whiskey was sold openly over the bar at 50 cents a drink, 7 glasses being sold in half an hour with no evasion or secrecy during a visit in 1923, and of the 13 men in the saloon at the time, four were disorderly, and one drunk. These premises were first padlocked and then remodeled, and the entire building is now occupied by stores, offices and other legitimate businesses.

Many saloons all over the State which had been notoriously bad for years are now changed into banks and stores selling meats, groceries, boots and shoes, jewelry and other merchandise, and into other legitimate business places. Several such old saloon properties have been replaced by fine new buildings.

Fourth. The old open saloon so well known for generations is a thing of the past. A liquor selling place where it exists in the state today is a speak-easy, in a speak easy fashion even though it was a former old time saloon. It sells intoxicating liquor, almost without exception in a wary and cautious manner, suspicious of strangers, watching them carefully, with drunken men and fights and disorderly brawls rarely seen. In the exceptional place claiming protection (and consequently bolder than the others) the atmosphere is one of fear of detection and of being caught. Even in communities where it has been impossible to bring injunction proceedings and where grand juries have refused to indict liquor sellers, the change has come.

The change from the old of the saloon to the speak-easy saloon of today is clearly shown by the following examples:

In 1923 over 100 men were repeatedly counted in the old Peak's saloon at 20 North 11th Street, Philadelphia, often standing three deep at the big circular bar, clamoring for

high-powered beer and getting it, with six or seven bar tenders waiting on them. After a temporary injunction was issued against this saloon on evidence we secured, on repeated visits to it, never more than 10 patrons, usually only 4 or 5, have been found there.

In Carbondale the saloon at 98 Dundaff Street in 1923 was openly selling whiskey and high-powered beer with 4 men found drinking at the bar. In 1926 this place was dead, with nobody at the bar, and 2 men playing cards at the tables.

In Bethlehem in 1923 the saloon 525 North New Street was openly selling whiskey and high-powered beer, with 6 men found at the bar, and 4 men and 2 women in the side room. In 1926 this place was quiet, selling near-beer, with one man found there.

In Philadelphia the saloon at 12 N. 52 Street in 1923 was openly selling whiskey and high-powered beer with 30 men found at the bar, and 6 drunk. In 1926 this place was selling near-bear at 10 cents a glass, with 2 men at the bar, and 4 loafing about.

In Homestead, the saloon at 600 Amity Street was selling whisky and high-powered beer in 1923, with 18 men found drinking at the bar. In 1926 this place was dead, selling near-beer, with one man at the bar.

In east Pittsburgh, the saloon at 836 Linden Avenue in 1923 was openly selling whiskey and high-powered beer, with 11 men found drinking at the bar, very drunk. In 1926 this place was operating like a restaurant, selling near-beer, and not a person found at the bar.

Fifth. The speak-easy saloon problem does not exist in 42 counties covering more than two-thirds of the State, as follows:

In the west and northwest: Butler, Beaver, Lawrence, Mercer, Crawford, Venango, Warren, McKean, Jefferson, Armstrong, Clarion and Forest:

In the southwest and south: Washington, Greene, Fayette, Somerset, Franklin, Bedford, Fulton, Adams, Perry, Cumberland and Chester.

In the centre: Huntingdon, Mifflin, Juniata, Snyder, Centre, Clearfield, Union and Clinton.

And in the north and northeast: Cameron, Potter, Tioga, Lycoming, Sullivan, Bradford, Susquehanna, Wyoming, Wayne, Pike and Monroe.

Sixth. Citizens walking, motoring and traveling on the streets, highways, railroads, or trolleys today, do not see drunken persons as they did in 1923 and before the 18th Amendment became a law, despite the statistics quoted by wets as to arrests for intoxication. A drunken man today is an object of special attention.

Typical and strikingly illustrative of this changed condition is Philadelphia. In 1923 on any evening during a walk about the downtown section adjacent to the City Hall and through the nearby vice district, 100 drunken men could be counted on the streets, and on many evenings were so counted. On a Saturday evening that number would rise to 150. In the past few weeks, during walks through this

same territory, and at times including other larger sections of the city, the highest number of drunken men seen (even on Saturday evening) was 7, and on several walks none were seen.

Seventh. The change in the breweries is equally complete. Of the 156 operating in January, 1923, according to a careful check by the State police, only 61 are running today. In other words, 95 have quit and of the 61 left all but 10 are operating under permits granted by the Federal Government, and none of them are pouring out high-powered beer as in 1923. Such beer cannot be bought through the State today as it could then. Typical examples from different sections of the State, of the present condition of many breweries flaggrantly violating the law in 1923, but now out of business are:

BREWERY EXAMPLES

The Liberty Brewing Co.'s plant at Tamaqua is closed and is a wreck with every window broken and boards of runway gone in one building, several windows in the main building broken and the whole plant deserted.

At Meyersdale, the plant of Meyersdale Brewing Co. is a complete wreck; the entire interior is gutted, with only a part of the walls standing, and the roof fallen in.

The enormous plant of the Eberhardt & Obert Brewing Co. at Pittsburgh, established in 1852, is in a ruined state, with windows broken in; hoists broken, twisted and partly fallen to the ground; office vacant and some of the windows smashed in; and a smoke stack fallen down.

At Washington, the Crescent Brewing Co.'s plant is closed, with the windows broken; some of the smoke stacks partly fallen down; doors sagging, hinges rusty, and loading platforms broken and rotted.

The old Brewery of the Jeannette Brewing Co. at Jeannette, is a complete wreck, with every window broken or boarded up; some smoke stacks fallen down; a spur track torn up; platforms broken and rotting; hoists broken down, and a large "For Sale or Rent" sign on premises.

The P. Barbey & Son brewery plant at Reading has some of its windows broken and boarded up; its platforms falling into decay; and is without a sign of life about it or any operating going on.

The Old Reading Brewing Company's immense plant at Reading is in a ruined condition, with windows all broken in, the outside elevator fallen to the ground, its platforms rotting away, rust on hinges and iron about the doors, and the hoists a mass of broken and twisted iron and wood.

The Charles Lehnert Brewery plant at Catasauqua is deserted, has some of its windows broken, rust on hinges and iron about the doors, with platform rotting away.

At Monessen, the Independent Brewing Co's big brewery is deserted, with no sign of life or of operating about it; the spur tracks are rusty, and some windows in rear part of main building are broken in.

Several old breweries have been transformed into factories and other legitimate businesses. For instance, the old brewery of the

Independent Brewing Company at Charleroi has been changed over into a plant now occupied by the Rieck and McJunkin Ice Cream Co. in connection with its large ice cream business in Western Pennsylvania.

Eighth. Over 40 of the fake toilet water, hair tonic, tobacco and disinfecting spray manufacturers doing business in the Philadelphia District, under Federal permit, in 1923 are gone; 9 of the most notorious of these law-breaking concerns had been allowed to withdraw annually over 573,000 gallons of specially denatured alcohol, practicially every drop of which went into bootleg channels. That flow of poison drink was stopped by your public exposure of the truth about it.

Ninth. The Pennsylvania Alcohol Permit Board has been created to control the production, sale at wholesale, and transportation of alcohol in the State. The Act, providing for the Board, wrested from a hostile Legislature by your exposure of facts, was the first wedge driven by the State for ending the corrupt alcohol business carried on in Pennsylvania under Federal permission.

METHODS USED

This change in conditions in Pennsylvania in 1926 from those in 1923 was brought about in spite of the worst imaginable machinery and means for enforcement, such as existed nowhere else in the country. Every possible liquor law enforcement problem existed in Pennsylvania. The three main ones were the law breaking saloons, the lawbreaking breweries, and the crooked alcohol concerns.

ATTACK ON SALOONS

We attacked the saloons first, because they have always been the principal outlet for the brewers and distillers to sell their beer and whiskey. With the saloons wiped out, the main market for illegal beer and poison alcohol is gone. Furthermore, the breweries and distilleries were obliged to secure Federal permits to operate, because there was no plant then in Pennsylvania for making near-beer without raising its alcoholic content over one-half per cent of alcohol, and no plant could produce and sell alcohol without a Federal Permit. Therefore, primarily, it was the duty of the U. S. Government to see that lawbreakers did not exist among those two groups. But the State had licensed the saloons to do business before the enforcement act of 1923 became a law. That act took away their licensed legal existence and gave authority to close (padlock) law-breaking saloons by injunction proceedings. It thus struck the first blow for their permanent downfall. But wiping out their licensed legal existence did not stop their illegal business. It was the State's duty therefore, to end the lawbreaking saloon.

Where the saloons had been the worst lawbreakers continuous raids, arrests and criminal proceedings by State and Federal officers had failed wholly to stop their lawlessness. They continued breaking the law as if nothing had happened. The injunction (padlock) method of enforcement was needed to put them out of business as it had done in years past in other states. Therefore, as soon as the Enforcement Act became a law, we prepared to use its injunc-

tion (padlock) provisions for ending law-breaking saloons. Though new in Pennsylvania, this was an old enforcement method and a most effective one in other states. When tried it had never been found wanting.

Prior to August 1st, 1923 I have discovered only one injunction action brought in the Pennsylvania State Courts to close a saloon, and only one in U. S. Courts in Pennsylvania. Neither was carried to a final closing order. Therefore, becausse of the newness of this injunction method of enforcement in Pennsylvania, we set out to prepare our cases for padlocking saloons on an impregnable foundation, which would leave no loop hole for a judge to refuse injunction orders.

Our own investigator surveyed the lawless saloon conditions in the State, reported on them and upon the conditions found in the individual saloons, and how the lawbreaking was carried on in each. We then selected for our injunction proceedings the most lawless saloons in the worst sections and cities of the State, and those, so far as we could learn, which claimed local immunity and protection. By men carefully chosen, for the most part members of the State police, three drinks of whiskey were bought in these selected saloons, with two or three witnesses of every buy. All this work was done secretly, local police authorities knowing nothing of it, and without a word about it in the public press until the injunction papers were ready for filing in Court. With such careful preparation of our cases, the law breaking saloon proprietors and property owners had no chance of getting off. Even the 4 to 40 lawyers who appeared to defend them in different courts did no good.

> In 222 cases so prepared against saloons and in six against other law breaking places, brought in different counties of the State, we secured 228 temporary injunctions, of which 41 await final hearing. In the 187 cases which have been finally heard by the court, 177 orders were granted wiping out the saloons and lawbreaking places by padlocking them from any use for from 30 days to a year, or ordering the saloon premises rented and used for other business and all the saloon fixtures and equipment torn out, and in one case the defendant agreed, in open court without being ordered, to so dismantle and rent. This is a record of complete success in every case finally heard except 9, of which 3 were dismissed because service of papers on defendants was not perfected, 1 because the material witness could not be secured, 1 because the law breaking place was gone and its proprietor evicted before trial, and 4 because at Lancaster the court, whose judges from the start of the cases had shown antagonism to our law enforcement program, refused to padlock the saloons or order them dismantled on evidence precisely similar to that upon which the judges on final hearing in the 177 other cases had ordered saloons and law breaking places to be padlocked or dismantled.

After securing the temporary injunctions restraining proprietors and property owners from allowing any lawbreaking on their premises, the enjoined saloons were visited and re-visited. If found vi-

olating the Court's order, drinks of whiskey were again bought in them for bringing contempt proceedings against the enjoined proprietors and owners. Every contempt proceedings brought has been upheld.

The surveying or investigating of the saloons laid the foundation for our successful injunction (padlock) proceedings which brought such remarkable changes in saloon lawlessness in the worst localities of the State. Through that work the men detailed to secure evidence for the padlock proceedings knew before entering saloons exactly the conditions in them, how the law was being violated, and the best time and way to secure buys for proving it.

Every city and town of the State with a population of 3,000 or more, where the lawless saloon problem existed, has been investigated since 1923; and many smaller communities surveyed-every one where we knew saloon lawlessness to be a problem. Over 230 cities and towns have been so surveyed, some as many as eleven times, for rechecking their saloons in connection with injunction proceedings and enforcement work going on. Over 6285 separate visits have thus been made to saloons.

We have brought injunction proceedings against 222 saloons and 6 other lawbreaking places in 12 of the worst counties of the State. In all of these cases, we secured the appearance, with the attorney general for the commonwealth, of the local district attorney and city solicitor, except the city solicitors of South Bethlehem, Reading, Wilkes-Barre, and Hazelton, who would not cooperate. The last mentioned, John H. Bigelow, appeared for defendants in several of the actions.

In addition to these 228 injunction actions, we secured the evidence and in some cases also prepared the papers for over 180 other injunction proceedings against lawbreaking saloons, the majority of which we succeeded in having local authorities take care of. We also secured evidence for or brought in Court 100 contempt proceedings, making the number of injunction and contempt proceedings brought and prepared for, a grand total of over 500.

ATTACK ON BREWERIES

In the Fall of 1923, you asked the Secretary of the Treasury to give the State police the right to inspect at any time, night or day, the breweries operating under Federal permit in Pennsylvania. This request was refused, permission being given to inspect only during ordinary business hours of the day. That was worthless, because those were not the hours to catch breweries breaking the law. The State Police however kept after them, caught violating breweries, and, under a cooperating arrangement with the Federal enforcement service, turned them over to the United States authorities for prosecution. Few were put out of business by this procedure, the United States officials during more than twelve months securing permanent injunctions against only 6 of the 32 lawbreaking breweries turned over by the State police. Then the State Police began to handle the situation themselves in a more direct manner. By State search warrants, inspections, seizures of contraband liquor, and arrests of lawbreaking brewery owners and employees they

kept up a rapid-fire attack on the non-Federal permit breweries running in the State. The success of that attack is shown by the report of the State Police that only 16 breweries are operating today in Pennsylvania without a Federal permit.

ATTACK ON ALCOHOL

The crooked alcohol business in Philadelphia presented an entirely different problem from the law-breaking saloons and breweries. The concerns responsible for that business were operating under permits granted by the Federal Government. For that reason it was practically impossible to reach them under any state law. The 1923 Enforcement Act was not planned to stop such law-breaking. In the Fall of 1923 you asked the Secretary of the Treasury under the power granted by Federal law, to have regulations adopted to stop this illegal traffic in poison alcohol. He refused to do so, saying that the regulations then in force were ample for all purposes. The illegal business in this poison drink went on therefore with practically no interruption. Consequently in 1924 we started a thorough investigation of it. The original producer of alcohol, the denaturer, the wholesale bonded dealer selling it, the hair tonic, toilet water and fake spray manufacturer claiming to use the specially denatured product, employees and transportation clerks, were all interviewed.

Over 400 concerns operating either as individuals under assumed names, many violating the State law in failing to register such names, or operating as corporations, were called upon; places of business were inspected; business records examined where there were any, unless their inspection was refused; every effort was made to call upon alleged customers, only to find in innumerable cases they did not exist, or if found, often denied buying, refused to show their books where they had any, or turned out to be cover-up houses, conspiring with Federal permit holders to conceal their illegal diversions of alcohol into bootleg channels.

Records and reports in United States revocation proceedings and investigations of more than 125 of these alcohol concerns operating with Federal permits, were also exhaustively examined. This work, covering several months, revealed some the grossest violations of law, from producers at the top, down through denaturers, bonded dealer, wholesalers and fake toilet water, hair tonic and spray manufacturers, all doing business with Federal permits. And from these last named, continuance of the law-breaking by customers and cover-up houses was also unveiled. Besides these violations of law by the Federal permit holders, we found an almost complete failure on the part of Federal officials from top to bottom to carry out the Federal law; and discovered methods of so-called law enforcement which could only result in encouraging law-breaking by Federal permit holders and remove every fear of punishment for their law-breaking. Reporting on this situation, a United States Grand Jury later investigating this crooked alcohol business in Philadelphia, said;

> "We are convinced that these immense diversions of alcohol, obviously used for illegal purposes, show an administrative inefficiency of so gross a nature that the very inefficiency would encourage and make corruption easy on the part at least of

some of those connected with the Prohibition Department. The problem, in our view, is fundamentally an administrative one. If bootlegging is to be checked, it must be checked at the source; and where the administration has failed, the law cannot be enforced."

This Grand Jury also said, in referring to the large number of Federal permits for using specially denatured alcohol in manufacturing toilet preparations, hair tonics and sprays:

"We had before us two legitimate manufacturers of these articles. Each one has stated to us that the quantity of these articles now being supposedly manufactured by these mushroom establishments, has not interfered with their established business. The fact of the matter is, this alcohol is not used for manufacturing of these articles. It was never intended to be so used by those persons who received the permits, and never will be so used by them."

And further, the same Grand Jury said:

"The methods and system employed by the Prohibition Department to detect diversions by these permit holders are childish."

The Grand Jury made this criticism of the Department methods more than 18 months after the Secretary of the Treasury refused your request to change them. Our investigation also proved that the making and selling of illegal poison liquor on a large scale was easy, while before the 18th Amendment, the legal manufacture of whiskey was most difficult, and was safe-guarded from fraud and tax evasion at every possible angle, so that its illegal manufacture then on any large scale was impossible.

We discovered by our investigation: that the Secretary of the Treasury had failed to use the power given, solely to him, by Federal statute, for having alcohol at its source so produced and denatured and sold, that it would not be released into bootleg channels; that the Internal Revenue Commissioner and his assistants, among other laxities, had failed to carry out the mandate of the Federal statute to liberally construe the law "to the end that the use of intoxicating liquor as a beverage" might be prevented; had failed to revoke or change denatured alcohol formulae when clearly shown to be used for illegal traffic; had failed to revoke Federal permits of persons shown by Federal agents to be grossly violating the law; and to suspend withdrawals of alcohol by such law-breaking permittees even after indictment for their crimes.

Our investigation of the alcohol situation in Philadelphia produced the incontrovertible facts and the grounds for introducing into the legislature of 1925 the so-called United Dry Bill which, had it passed would have stopped this murderous traffic in poison alcohol. The liquor interests defeated the measure. The toll of the poison trade continued and became so notorious and appalling that the special session of 1926 legislature passed the act creating the Pennsylvania Alcohol Permit Board.

This lawless alcohol business as revealed by our investigation was being carried on in Philadelphia with the knowledge of the Federal Government, and by individuals and corporations which could not have operated if the United States Government had taken away

their permits. And our investigation proved also that today, or at any time during the last three and a half years, the Federal Government, almost in the twinkling of an eye, could stop that crooked death dealing alcohol business, if the Federal officials, the United States Secretary of the Treasury and Attorney General, had used as the law intended they should, the great powers given by the Federal statutes to prevent and stop such law-breaking. And had they exercised those powers as they should have done, the crooked traffic in alcohol could never have reached the huge and highly organized proportions it has, nor could it ever have gotten under way. It can be stopped today when those Federal Officials exercise those powers and make their assistants and subordinates do the same.

THE ENFORCEMENT FUND

The enforcement work of the past three years outlined in this report, except that done by the State police and the preliminary planning carried on through your special Executive fund, was made possible through the money raised by the President, Officers and members of the W. C. T. U. of Pennsylvania. When the legislature refused to give you any special appropriation for liquor law enforcement, the President of the Pennsylvania W. C. T. U., Mrs. Ella M. George, came to the front promising to raise money for the work. The patriotism and unselfish efforts of these women have rendered a lasting benefit to the citizens of Pennsylvania as well as of the Nation, by showing that a liquor controlled Legislature cannot prevent liquor law enforcement by refusing to appropriate funds for it, if the chief executive of the state will see "that the laws be faithfully executed."

Our purpose with the funds these noble women raised was to do a permanent piece of work which the citizens of the State would use and benefit by long after it was done.

They made possible the blazing of the way and the establishing in this State of the injunction (padlock) method of enforcement, and having it upheld by the Court of last resort in Pennsylvania, so that decent, law-abiding citizens anywhere in the Commonwealth can now demand that City Solicitors or District Attorneys use this injunction or padlock procedure to close places where violations of the 18th Amendment and State laws for enforcing it are going on; and if these officials do not do so, see that others are elected who will. In other words, the most effective means of stopping liquor law violations has been used, found unfailing, approved by the Supreme Court and its constitutionality upheld. It is now available as an established method of law enforcement in Pennsylvania for every City Solicitor, and every District Attorney in each of the 67 Counties in the State to take advantage of and use.

The self-sacrificing women of the W. C. T. U., through the funds raised, also made it possible for us to show;

1. That the 18th Amendment can be enforced.
2. That a Governor wishing to enforce the 18th Amendment can do so no matter what legal, statutory or political handicaps to its enforcement confront him.
3. That the 18th Amendment and State and National laws for carrying it out can be enforced and their violation

reduced to the minimum, when law enforcement officials cooperate together and do their duty honestly, fearlessly, enthusiastically, regardless of all political influence, and without fear or favor.

4. That the cooperation of local law enforcement officers can be secured to enforce the 18th Amendment, so the Federal and State officials will be free to work at problems which local officials are without the power to handle, and to go where no adequate means of local enforcement exists, or where those charged with local enforcement conspire with lawbreakers or are against enforcement.

Outstanding examples of those giving such local cooperation are; General Butler in Philadelphia; Common Pleas Court Judges Maxey and Watson in Lackawanna County, Stewart in Northampton, Garman in Luzerne, Schafer and Ex-Judge Richardson in Berks, Baldridge in Blair, Whitten and Dom in Westmoreland, Hargest and Wickersham in Dauphin. Shaffer in Allegheny; District Attorneys Patterson of Blair, Fox of Dauphin, Cober of Somerset, McGoun of Beaver, Manger of Berks, Davis of Erie, and Asst. Attorney Wing assigned to injunction work by District Attorney Scragg in Lackawanna and City Solicitors Turner at Easton, Raub at Lancaster, Cochran at Chester, and Saylor at Johnstown; also Chief of Police Brinney of that City, and ex-Superintendent of Police Brophy at Pittsburgh, and his Lieutenant Cavanangh, now Federal Administrator at Philadelphia:

OTHER WORK

In addition to work heretofore outlined:

a. We aided district attorneys in connection with injunction proceedings, in criminal trials, appeals and other matters connected with liquor law enforcement.

b. We advised and assisted the State Police in cases involving violations of the liquor law.

c. We arranged for the State Highway Department to immediately suspend for a year the license of persons found driving when intoxicated, and the licenses of vehicles caught illegally transporting liquor.

d. We arranged with the United States Department of Justice for bringing their first injunction cases in Pennsylvania, which closed saloons in the hard coal region and in Philadelphia; for their handling brewery cases, and a large bootleg mail order conspiracy.

e. We investigated brewery conditions in the State, and advised as to ending their law-breaking; and investigated records of Federal agents, and of applicants for positions in the State service.

f. We examined United States Court records of cases against liquor law violators.

g. We established in the Superior Court by appeal from an order of Judge Bartlett of Philadelphia returning bribe money to a bribe giver, that bribe givers cannot get their money back in Pennsylvania.

h. We aided in the preparation of the United Dry Bill in 1925 and Pennsylvania Alcohol Permit Board Bill in 1926, and the long fights for the passage of the latter.

i. We helped in passing the law changing the jury system in Lackawanna and Luzerne counties, which brought about the indictments against liquor law violators where none could before be secured.

j. We did educational work by conferences and addresses in arousing sentiment for observance of the 18th Amendment and local cooperation for its enforcement, and assisted in other movements for strengthening the enforcement of that Amendments and laws for carrying it out.

CONCLUSION

In conclusion, I would say that without the aid of those who are now and at different times have been associated with me in this work, little if anything could have been accomplished. Wherever "we" or "our" are used in this report, these associates are included. The greatest credit and sincerest appreciation is due them for their untiring, devoted and unselfish service. Regardless of hours they have worked, doing everything in their power to assist in securing the facts proving where and how the law was being broken, the Federal laxity and inefficiency of enforcement, and then using the best means at hand to stop it.

Too great praise cannot be given to Hon. Louis E. Graham for his able and tireless work in carrying on injunction proceedings and court work, and for the signal success which crowned it. He established before the Supreme Court the constitutionality of the injunction (padlock) enforcement method and won all the injunction cases he tried in the Common Pleas Court. Only his devotion to the cause made it possible to secure a lawyer of his experience and skill for the salary we could offer, to undertake and carry through the trial, appeal and other legal work which was necessary. For more than a year Mr. Graham was assisted by Mr. Wilhelm F. Knauer, recently made Attorney for the Pennsylvania Alcohol Permit Board, who did splendid work and was very successful in the cases he handled. Our under cover man, Mr. Ralph F. Kneeland, who surveyed and investigated the lawbreaking saloons, performed a taxing, dangerous and most tedious service, but by his devoted and remarkable work, he made possible the results we have secured in changing saloon conditions. Mr. J. A. Tatro also did an especially able piece of work in the investigation of the crooked alcohol business in Philadelphia, and of Federal records and enforcement in connection with it. By the facts and data found, the appalling conditions in that illegal traffic, and the unbelievable laxity of Federal officials in connection with it, were established conclusively.

Without the aid of the State police in our injunction work, it would have been impossible to secure the evidence for the proceedings we brought. Their help in the 1924 investigation of the crooked alcohol business was of the greatest value, and the accomplishments in putting breweries out of business are entirely theirs. And to Major Adams and the members of his force, for their constant assistance and loyal support, I want to extend sincerest appreciation and thanks.

EXPENDITURES

On the first day of August, 1923, work under the Law Enforcement Fund commenced. At that time there was not enough money in hand to carry the program a year. The total raised to date has been less than $133,000. Of that sum from August 1st to January 10, 1924, $10,480.40 was spent. From the latter date to December 22nd, 1924, $43,851.07 and from December 22, 1924 to December 31, 1925, $38,263.53.

It has been possible at no time to have more than the minimum force. In the field, there were never more than five men, that number for a very limited time, for a considerable period only two men and for months one; never more than two for Court and office work; and for the first two years, one person did the stenographic and clerical service with occassional outside assistance.

Contrast the results secured by this small personnel, against all imaginable handicaps as already outlined, and with less than an average of $38,500.00 a year available for carrying on the work, with the large Federal personnel, the unlimited powers of enforcement in the Federal statutes, and the hundreds of thousands of dollars appropriated for a year's work in each State by the Federal Government, and it becomes evident that the Federal Government can enforce the 18th Amendment, as the law is at present and with the appropriations made, if there is a will free from politics to do so.

THE FUTURE

Finally, I want to say, and most emphactically, that but for your loyalty and devotion to the cause of law enforcement, to the purpose of the 18th Amendment of the Constitution of the United States and to your command from the Constitution of Pennsylvania, "to take care that the laws be faithfully executed"; and but for your backing without fear or favor and regardless of political influence or consequences, the work to carry out that command, that the great forward step for enforcement of the 18th Amendment and of the laws to carry it into effect would never have been taken in this Commonwealth.

The path has now been blazed and the methods have been shown for future Administrations to use, through the State Department of Justice and the State Police, in carrying out the Constitution's command to its Chief Executive, even in those communities where liquor lawlessness is tolerated by the apathy or sympathy of local enforcement officials, or is carried on by their active assistance.

No other Governor can ever face the obstacles to law enforcement you had to meet. Therefore, if in the next State Administraion the will exists to carry forward the work you have started, the great progress already made in law enforcement can be continued with such strides, that violations of the 18th Amendment everywhere in Pennsylvania will soon be reduced to a minimum.

As soon as a President of the United States follows the command of the Federal Constitution, to "take care that the laws be faithfully executed" as you have followed the same command of the Constitution of Pennsylvania, and in accordance with his constitutional oath "will, to the best of his ability, preserve, protect, and defend

the Constitution of the United States," by compelling enforcement of the 18th Amendment and of the Federal Statutes for carrying it out to be taken wholly out of politics, and by compelling his Secretary of the Treasury and his Attorney General, and the subordinates in their departments, to use without fear of favor or any reference to politics, the enormous powers in those statutes for enforcing the law, all talk and propaganda throughout the country that the 18th Amendment cannot be enforced, will cease, because then the great sources of supply of illegal poison liquor will be closed, and the big violators put out of business or in prison.

THE DEPARTMENT OF PUBLIC INSTRUCTION

The greatest single accomplishment of the Department of Public Instruction during this administration has been the development of harmonious relations with the local school authorities, which has resulted in the cooperative solution of their mutual problems.

The development of education is assured only so long as mutual understanding and co-operation exist between those who are responsible for the administration of educational affairs in the local districts and the State's principal agent, the Department of Public Instruction. This involves harmonious working relations with county and district superintendents, local boards of school directors, the great teaching body, the parents, the various community organizations, the other State departments and in certain specific cases the boys and girls themselves.

In its service to local school districts the Department strives to function as a friendly and co-operative agency in the solution of educational problems and much prefers to give freely of its service rather than to compel obedience to law. Constantly it has endeavored to interpret the public schools to local school officials and in turn to inspire the local school officials to interpret the public schools to the people. Local districts, for their part, have borne splendidly their share of the State's responsibility for free public education. I am encouraged to believe that at the present time there is evidenced an unusually cordial spirit of mutual understanding and helpfulness among the forces interested in public school education. This is as it should be. Education in Pennsylvania is a co-operative enterprise.

Other major achievements of the Department of Public Instruction are concerned with (1) the efficient and economical administration of fiscal affairs; (2) the equalization and extension of educational opportunity; and (3) the co-ordination of the agencies of the State having to do with education.

I. EFFICIENT AND ECONOMICAL ADMINISTRATION OF FISCAL AFFAIRS.

Over one hundred million dollars have been administered on a sound, economical pay-as-you-go basis. Deficits have been wiped out. A reduction of 12½ per cent in the cost of administration is noteworthy in view of the additional responsibilities and the increase of 50 per cent in the funds to be administered.

In 1921-23, $43,560,000 was available for education, but more than $3,000,000 of this amount went for old debts. In 1923-25, there was, under the new law, $62,000,000 available, but nearly $6,000,000 went for old debts. In 1925-27, there was more than $67,000,000 available, and only $140,000 of this sum had to go for past expenses. On August 1, 1925, on February 1, 1926, and on August 1, 1926, EVERY PAYMENT DUE A SCHOOL DISTRICT WAS MET ON THE DOT. It is common knowledge that formerly these payments were often 6 months or a year overdue, and the local boards had to bor-

row and pay interest on money to meet obligations because these State payments were overdue.

It is worth noting here that of the $67,000,000 available for education in 1925-27, 87.8 cents of each dollar will go directly to the local districts; 8.7 cents of each dollar will go to State-aided universities and colleges; 2.1 cents of each dollar will go to other educational agencies such as boards and commissions. Only 1.4 cents out of each dollar is the cost for supervising this large expenditure, including the professional service rendered by the Department to the school districts.

Previous to 1923, the work of this Department was virtually limited to the affairs of the public schools. The Administrative Code placed definitely within the Department the following:

State Council of Education
State Library and Museum
Public School Empolyes' Retirement Board
Pennsylvania State Board of Censors
Pennsylvania Historical Commission
State Board of Medical Education and Licensure
State Board of Pharmacy
State Dental Council and Examining Board
State Board of Optometrical Examiners
State Board of Osteopathic Examiners
State Board of Examiners for the Registration of Nurses
State Board of Undertakers
State Board of Veterinary Medical Examiners
State Board for the Examination of Public Accountants
State Board for the Registration of Professional Engineers and Land Surveyors
State Board of Examiners of Architects
Anthracite Mine Inspectors' Examining Board
Mine Inspectors' Examining Board for the Bituminous Coal Mines of Pennsylvania
Board of Trustees of Pennsylvania State Oral School for the Deaf
Board of Trustees of Home for Training in Speech of Deaf Children under School Age.
Board of Trustees of Pennsylvania Soldiers' Orphans School

The code gives the Department the responsibility for clearing the budgets of these agencies as well as certain advisory responsibilities. Its concern and responsibility has been extended therefore to include practically all public educational agencies in the State.

II. EQUALIZATION AND EXTENSION OF EDUCATIONAL OPPORTUNITY

Definite progress has been made in equalizing the standards of education throughout the State and in extending educational opportunity to thousands before not reached by our system of public education. The following developments are indices of this progress:

A. LEGISLATION DIRECTED TOWARD THE EQUALIZATION OF EDUCATIONAL OPPORTUNITY HAS BEEN ENACTED

The Legislature of 1925 recognized the need for relatively larger appropriations to the school districts possessing relatively meager financial resources. Amendments to the Act of 1921 provide that

districts with a true valuation per teacher of $50,000 or less shall be reimbursed seventy-five per cent of the annual minimum salaries for teachers, and districts with a true valuation per teacher of more than $50,000 and not more than $100,000 shall receive sixty per cent of the minimum annual salaries. As a result of these amendments, approximately $3,000,000 additional were distributed to the poorer districts of the State. The Legislature of 1925 also gave additional aid to the relatively poorer districts for transportation and for salaries of high school teachers; it also provides additional aid to assist all districts in the education of handicapped children; for extending opportunities for adult education (including Americanization activities); and for the further development of vocational education.

B. RURAL EDUCATION IN PENNSYLVANIA

Pennsylvania, during the past four years, has been concerned with two major problems in the field of rural education. The first of these had to do with the financial inability of the less populous districts to make their schools commensurate with those of the more populous urban communities. Legislative provisions passed by 1923 and 1925 legislatures have made possible more varied and adequate educational facilities in the rural districts than was previously possible.

The second problem was concerned with the co-ordination of opinion necessary in formulating and making effective a progressive program for the rural schools. During the past year, at the call of the State Superintendent, fifteen organizations, representative of varied rural interests, have worked together in the development of a united program for rural school betterment. The following organizations participated in the conference:

1. The State Grange
2. State Council of Agriculture
3. Society of Farm Women of Pennsylvania
4. State Chamber of Commerce
5. State Parent-Teacher Association
6. Pennsylvania State School Directors Association
7. State Department of Agriculture
8. State Department of Health
9. Department of Public Instruction
10. County Superintendent of Schools
11. Pennsylvania State College
12. County Vocational Supervisors
13. State Council of Education
14. State Normal School
15. Pennsylvania Congress of Parents and Teachers

Representatives of these organizations worked in committees in consideration of the following five major problems in the field of rural education.

1. The one-teacher school
2. The rural high school
3. Consolidation of schools
4. Teacher training and placement
5. Vocational education

As a result of their deliberations and recommendations Pennsylvania seems to be on the threshold of a progressive development in

rural education with the united sentiment of those agencies to which the rural citizens look for leadership.

Consolidation of schools is enjoying a steady and healthy growth and is being recognized more and more by rural communities as one means of providing more adequate educational opportunity. Pennsylvania, however, has more than 8,000 one-teacher schools in which are enrolled approximately 250,000 boys and girls. During the past year, each one-teacher school plant was scored, using a score card developed by the Department. Evaluation was made of (1) grounds, (2) buildings, (3) equipment, and (4) service systems. Copies of the score cards showing detailed scores have been returned to the local boards of school directors and, in addition, a certificate of evaluation will be placed in the school room. The certificate states the actual physical status of the school.

A Department bulletin preparation outlines legal requirements for one-teacher plants and gives specific directions for reconstruction on a modern basis. The Department of Public Instruction is also constantly striving, through its teacher training program, to provide professionally trained, social-minded teachers for its rural schools.

C. PENNSYLVANIA HAS ESTABLISHED A NOTEWORTHY PROGRAM OF PUBLIC EDUCATION FOR HER HANDICAPPED CHILDREN

Legislation enacted in 1925 provides for the first time an effective method for aiding school districts in the education of handicapped children needing special forms of instruction. As a result of this legislation, the local district becomes specifically responsible for the education of the handicapped child as it is responsible for the education of the so-called normal child. In order to further this program, school districts are financially aided in the work. This aid is given in two ways, by helping to pay the salary of the special teacher and by paying three-fourths of the costs when institutional care is necessary. In general, children needing this type of education fall under two large classes, those physically handicapped and those mentally handicapped.

The following are some of the types of special classes that have increased during the two-year period from 416 in number to approximately 560: (a) the mentally subnormal, (b) mentally and intellectually inferior, (c) disciplinary problems, (d) the deaf, (e) the hard-of-hearing, (f) the blind, (g) blind students in institutions of higher learning, (h) blind babies, (i) the partially sighted, (j) the crippled, (k) the malnourished, anemic and tuberculosis, (l) cardiac cases, (m) non-English speaking, (n) restoration problems, (o) exceptionally gifted, and (p) corrective speech.

D. THE PUBLIC SCHOOLS ARE OFFERING ADULTS OPPORTUNITY FOR SECURING ADDITIONAL EDUCATION

Theoretically, the public school is available for all. Actually the economic situation is such that many people have to work during the hours when public schools are open. The 1925 Legislature made definite provisions for the education of working people—girls, boys and adults. The Act requires school boards to provide courses in their regular curriculums upon the request of twenty or more.

To make a special study of how to reach and help those who were not getting the benefit of our public school system, there was created in 1924 a Division of Extension Education. This division reports that 62 000 are enrolled in extension schools of all types. In the English and citizenship classes alone, there are over 13,000 men and 5,000 women. The total enrollment in the night high schools is now over 35,000. There are twice as many boroughs and towns offering courses in 1926 as in 1925. This benefits the Commonwealth enormously by reducing the number of voters who cannot vote intelligently on problems of the first importance to themselves and to all of us.

Among other signal achievements this Division is reaching the immigrant mother, a group that had little opportunity before. Society first became aware of the situation through juvenile courts, truant officers and other agencies that deal with erring children. With their mother's influence hopelessly discounted because she did not "know American", the children had no sure guide, made mistakes, ran wild, even committed crimes. The mother could not go to night school for obvious reasons. Teachers are being sent into the homes, where classes of eight or ten neighbor women gather, and English and other suitable subjects are taught. Since September 1925, over 100 boroughs and school boards have employed or made provisions for employing full time teachers for this work.

E. OPPORTUNITES FOR VOCATIONAL EDUCATION HAVE BEEN GREATLY EXTENDED

Vocational education concerns itself with those activities and experiences which aim to prepare the individual definitely and specifically for worthy service in a chosen vocation. It contemplates not only preparation for a vocation but, in addition, improvement in one's chosen occupation.

The following table indicates the extension and growth of this phase of education during the past four years.

ENROLLMENT

	1922-23	*1923-24*	*1924-25*	*1925-26*
All Schools	59,546	68,578	61,848	71,587
Agricultural				
All Day	1,659	1,625	1,708	1,840
Part Time	1,129	977	877	1,433
Home Economics				
All Day	2,995	2,874	2,896	3,086
Evening	2,313	2,158	3,307	7,500
Industrial				
All Day	2,947	3,208	3,493	3,741
Part Time	492	591	713	874
Evening	4,460	6,883	6,399	7,669
Continuation	43,811	50,262	42,455	45,444

In addition more than 200,000 boys and girls in regular attendance in Pennsylvania schools are receiving the benefits of exploratory

and try-out experiences in agricultural, home economics and industrial fields through practical arts instruction.

F. HIGH SCHOOLS HAVE INCREASED IN NUMBER AND EFFICIENCY WITH CORRESPONDING INCREASES IN ENROLLMENT

Type of High School	*Years*	*1922-23*	*1923-24*	*1924-25*	*1925-26*
Four-year High School ...	9-12	489	533	589	568*
Three-year High School ..	9-11	262	232	223	197
Two-year High School ...	9-10	217	198	182	164
Junior Senior High School	7-12	——	——	28	50
Senior High School	10-12	——	——	6	16
Junior High School	7-9	——	——	64	84
Rural Vocational School..	9-12	39	41	44	45
Pending Classification		——	——	41	26
Total		1007	1004	1127	1159

The above table indicates very definitely the following trends:

1. A rapid development of the Junior High School.
2. A consistent development of the Vocational Schools.
3. A progressive reduction in the number of two and three-year High Schools and a corresponding increase in the number of Junior High Schools, three-year Senior High Schools and six-year Senior High Schools.

Enrollment Increases

	1922-23	*1923-24*	*1924-25*
Total Enrollment	213,919	225,975	251,801
Non-resident Enrollment	24,771	28,009	33,665

The recognition by the public generally of the value of a high school education is at once evident, not only by the general increases, but by the enrollment in the high schools of neighboring districts of large numbers of pupils without resident high school opportunity.

G. EFFECTIVE SERVICE HAS BEEN RENDERED SCHOOL DISTRICTS IN THE PLANNING AND EXECUTION OF BUILDING PROGRAMS

When history reviews the educational tendencies of the present era, a large place will undoubtedly be given to the development and improvement of school plants and equipment. During the years from 1919-20 to 1924-25, there was expended for building operations in Pennsylvania, including the purchase of ground, a total of approximately $135,000,000.

The service of the Department includes furnishing preliminary sketches, examination of plans and consultation with architects, boards of school directors, and superintendents, in order that accepted standards of safety, convenience, and economy may become effective in all public school buildings. In addition, standard plans and specifications which are available to school districts without cost have been prepared for one, two, three, and four room school buildings. Surveys have been made of the building needs of the Pennsylvania State Normal Schools, a building program covering ten or twelve years projected, and in addition surveys have been conducted during the last two years in more than twelve school

*Decrease in number of four-year high schools is accounted for by increase in number of senior and junior-senior high schools.

districts of the Commonwealth to determine the best practicable building programs.

Computed on the basis of the commercial rates, the professional service rendered in second, third, and fourth class districts over a two-year period has a value of approximately $350,000. The service rendered to the boys and girls of the Commonwealth, however, in ensuring modern, sanitary, well-lighted school buildings, is to be measured in terms of better health, more days in school, and higher scholastic attainments.

H. PROGRESS IN PREPARATION OF TEACHERS

1. Pennsylvania Teachers Have Better Preparation for Their Work Than at Any Previous Time in the History of the Schools

The established legal minimum standard for preparation for the teaching profession in Pennsylvania is the completion of a four-year high school education or its equivalent, and not less than two years of professional preparation or its equivalent, including six semester hours of practice teaching.

In 1922-23 the percentage of teachers holding standard certification was 78 per cent of the entire teaching force; in 1923-24, 80 per cent; and in 1924-25, 81.6 per cent.

While in 1921-22, 6,703 of a total of 48,000 teachers had received no special training for their specific positions, in 1924-25, only 412 teachers out of 53,696 were without special training for their specific work.

During the summer of 1926, 7,864 teachers pursued professional courses at the Pennsylvania State normal schools and 7,395 of the enrollment at the accredited colleges and universities were reported as teachers or those preparing to teach, making a total of more than 15,000 Pennsylvania teachers pursuing courses to increase their teaching efficiency, not including large numbers attending professional teacher training institutions in States other than Pennsylvania, and the regular term teachers preparing for teaching.

2. Progress of State Normal Schools

A progressive system of public education must provide suitable training facilities to meet the demand for new teachers and the needs of those in service. The fourteen State-owned normal schools in Pennsylvania are designed to serve in this capacity. The following achievements as regards normal schools are significant: A survey of the building needs of the normal schools has been made. Such modifications in exits, the erection of fire escapes and new construction necessary to eliminate fire hazards, as specified by the Department of Labor and Industry, have been made. A uniform salary schedule has been adopted and made effective at all of the normal schools of the State so that monetary recognition is now given those faculty members who have special qualifications in the form of baccalaureate, masters' or doctors' degrees for teaching in their respective professional fields. The normal school curricula have been revised by a special committee* appointed by the Superintendent. Having met the standard requirements adopted by the State Council

*Report of the General Curricular Revision Committee to the Board of Normal School Principals —Harrisburg, Pennsylvania.

of Education, the following normal schools have been authorized to develop four year curricula leading to degrees.

(a) Bloomsburg
(b) East Stroudsburg
(c) Edinboro
(d) Indiana
(e) Kutztown
(f) Lock Haven
(g) Mansfield
(h) Shippensburg
(i) Slippery Rock
(j) West Chester

I. PUPIL PROGRESS

The first significant fact is the increased enrollment.

	1922-23	*1923-24*	*1924-25*
Total net enrollment	1,777,830	1,802,505	1,830,748
Elementary (Grades 1-8 ..	1,563,911	1,576,530	1,578,947
Secondary (Grades 9-12 ..	213,919	225,975	251,801

Total net enrollment in 1924-25 was 52,918 more than in 1922-23, an approximate increase of 3 per cent. During this same period, the increase in enrollment in grades 9 to 12 totaled 37,882, an approximate increase of 18 per cent.

The second significant fact with reference to pupil progress is the improved attendance. Each pupil on the average in 1924-25 attended five more days during the school year than in 1922-23, while each was enrolled on the average only three more days, and was absent only thirteen days as compared with an absence of fifteen days during 1922-23 Moreover, unlawful absences show a decrease of fifty per cent.

Educators generally agree that pupils of normal intelligence, other factors being equal, should advance through the school grades at a rate comparable to age increase. In other words, there should be a normal relation between the yearly physical and mental development of the individual child as he increases in age and the school progress of the child as indicated by grade classification.

Pupils whose age and grade classifications correspond to the standard are considered of normal age for grade. Those whose age is greater than that for a given grade are termed "Over-age."

The following are representative conditions as they exist throughout the State:*

	1922-23	*1923-24*	*1925-26*
Per Cent Under Age	9	12	11
Per Cent Normal Age	54	55	58
Per Cent Over Age	37	33	31

Improvement is noted by a decrease of pupils in the over-age groups from 37 per cent in 1922-23 to 31 per cent in 1925-26, and a corresponding increase of the normal and under-age group from 63 per cent in 1922-23 to 69 per cent in 1925-26.

*Data for grades 1-12.

J. HEALTH EDUCATION

Following the detailed courses of study outlined by the Department, school districts are rapidly setting up practical programs of hygiene, school nursing and physical education.

Emphasis in health instruction has been placed upon the development and practice of good health habits. In the primary grades formal lessons in physiology are being replaced by training in health habits; in the intermediate grades the value of these habits is stressed; and in the advanced grades sound principles of physiology and hygiene are taught. Pupil responsibility is being encouraged in the better sanitation of school buildings, particularly in regard to cleanliness of rooms, ventilation, humidity, and lighting. Attention is also being given to better selection of food and to correction of physical defects. A bulletin soon to be issued by the Department for one-teacher schools will very definitely suggest situations providing for purposeful healthful activities.

School nurses employed by boards of education have increased. At the present time there are 251 full-time and 139 part-time school nurses employed in the schools of the State. All of the second class districts and 68 per cent of third class school districts are provided with this service. Two series of six regional conferences each were held during the past two years, 88 per cent of the school districts employing nurses sending representatives. Over 300,000 school children have been immunized against diphtheria.

Trained teachers of physical education have increased 51.6 per cent in cities of the first class and 135.3 per cent in cities of the second and third class. Gymnasiums and outdoor playgrounds permitting a broader program of activities in physical education are increasing. New buildings, almost without exception, are including these facilities. County field days are now almost universal throughout the State. An increase of 84 per cent in the number of such days is an evidence of their growth and the interest in their development.

CO-ORDINATION OF THE AGENCIES OF THE STATE HAVING TO DO WITH EDUCATION

The Administrative Code for the sake of central co-ordination, development, and administration of policies and responsibility of fiscal control brought together the various agencies in the State which have to do with education. The Department of Public Instruction was designated as the agency responsible for the administration of the State's educational policy as it finds expression in legislation. Its function is the development and maintenance of fiscal and professional standards in the unified State program of education.

The established policy of the Department is to seek the point of view of every agency that has an interest and an equity in education. The Department believes that this point of view is necessary in arriving at practical solutions and welcomes every contribution that can be made by any allied educational agency to the better solution of the State's educational problems.

III. ORGANIZATION OF THE DEPARTMENT OF PUBLIC INSTRUCTION FOR SERVICE TO PUBLIC EDUCATION

The State Department of Public Instruction has two major types of functions. The first is explicit in the laws of the State and has to do with the establishment of that degree of State-wide uniformity in educational practice necessary to insure that the children of the State share equitably in the best educational advantages the State can provide. The second type is clearly implicit in the professional relations of the Department with the various educational units of the State making it the co-ordinating agency and therefore the logical leader of the educational interests of the State. These two types of functions may be classified broadly as regularly and co-ordinating.

I. REGULATORY FUNCTIONS

The regulatory functions have to do, broadly, with the setting up of minimum standards which must be flexible enough to allow appropriate adjustments to meet local needs and resources. The maintenance of a proper balance between a desirable degree of State-wide uniformity and the initiative of communities in local educational affairs, particularly in the case of the larger and more progressive cities, is a challenge to educational statemanship of the highest type. The plain mandate of our State Constitution to the State Government to maintain an "efficient system of public schools" throughout the Commonwealth must be carried out so as to guarantee at least a minimum degree of educational opportunity to every child:—otherwise constitutional government will in time cease to be the bulwark of our liberties. To make sure that all the children of the State have the minimum essentials of educational opportunity, six major regulatory functions are imposed by law upon the Department of Public Instruction.

a. Setting Standards of Teacher Preparation

Probably the most important of these is setting standards of teacher preparation. This function requires that the Department set up and enforce minimum standards governing the preparation of teachers and supervising officers, prescribe courses of study for teacher-training institutions, and have jurisdiction in licensing teachers and commissioning superintendents.

b. Preparation of Minimum Courses of Study

The preparation of minimum courses of study for all types of public schools is by law a function of the Department. The school laws specifically require the Department of Public Instruction "to prescribe minimum courses of study" while Section 1608 provides that

> "The board of school directors in every school district in this Commonwealth, with the proper advice, assistance and approval of the proper superintendent of schools, shall arrange a course of study adapted to the age, development, and needs of the pupils. These courses of study shall conform to any general course of study arranged by the Superintendent of Public Instruction, so far as the local condition in respective ditsricts permit."

c. Supervision of School Building Designs

Regulatory supervision of plans for school houses so that they may be designed and constructed for the conservation of the health and to meet the educational needs of pupils and teachers is also explicit in the School Code. An efficient discharge of this function means much to school districts in terms not only of increased educational efficiency but also of financial savings.

d. Classification of High Schools

A desirable degree of standardization of high school education, through classification of high schools and setting of standards of preliminary education for entrance to professional schools is another regulatory function. The gradual extension of high school advantages to the youth of the Commonwealth has been, to a considerable extent, the result of the wise exercise of this function.

e. Enforcement of School Attendance and Child Labor Laws

However, the extent to which competent teachers, well organized courses of study, and properly designed school buildings function is dependent in the final analysis upon the regular attendance in school of the children of school age. In every State in the Union there have been enacted school attendance laws designed to secure regular school attendance.

f. Fiscal Control

Finally, the School Code makes the Department responsible for supervising minimum standards relating to the management of the fiscal and business affairs of the school district. This places upon the Department a definite obligation for the wise expenditure of the people's money. State supervision logically and necessarily follows the appropriation of State money. Moreover Section 501 of the Administrative Code of 1923 makes the Superintendent responsible for the preparation of the budget and the fiscal and business control of the various agencies brought within the Department as a part of the reorganization of the State government.

Thus the Superintendent of Public Instruction is responsible for maintaining equitable relative values among the different agencies, and for presenting these values in terms of budget estimates, to the State budget officer.

II. CO-ORDINATING FUNCTIONS

The co-ordinating functions of the Department of Public Instruction, while not so easily defined, are none the less important in their influence upon public education throughout the Commonwealth. These functions are, broadly, three in number and can be discussed

A. The Will to Co-operate

The co-ordination of effort of all educational agencies of the State indispensable in the development of an effective program, can come about only as the Department of Public Instruction enjoys the confidence and serves as the leader of the educational forces of the State. This function cannot be defined in terms of statutes or regulations; rather it represents the professional responsibility of the Department

to render capable, constructive service with a sympathy and a wisdom which command respect and co-operation and give it its proper place of leadership. Reference may here be made to some of the most significant of these relations.

(1) Taxation

A complete review has been made of taxation as it relates to school districts and to the tax situation in general. The Department has made available to the League of Women Voters, the State Tax Commission, the Department of Internal Affairs and to various educational institutions and individuals information concerning the financial affairs of the public schools. The League of Women Voters has been interested specifically in securing information regarding the costs of tax collection. In the Department of Internal Affairs, chief interest has been regarding assessments. Other educational agencies have been interested in such questions as school costs and ways and means of defraying them.

(2) Apprenticeship Training

A State-wide conference on apprenticeship training in the plumbing and heating industries was held. Participating in this conference were the Trade Extenion Bureau, School Superintendent and Directors of Vocational Education, Master Plumbers and Steam Fitters Association, Journeymen Plumbers and Steam Fitters Association, Teacher Training Institutions, Plumbing and Heating Equipment Supply Companies, and representatives from the Department of Public Instruction. The total number of persons attending this conference numbered 70. As a result of the conference, definite plans were set up for apprenticeship training in the plumbing and heating industries, and a State joint advisory apprenticeship commission for the plumbing and heating industries was appointed.

(3) Continuation Schools; Conference with Factory Inspectors of Department of Labor and Industry.

The Department of Public Instruction participated in the Annual Conference of the Building Inspectors of the Department of Labor and Industry. It seems well that those who visit public schools on official business should be thoroughly acquainted with the aims and objectives of school work. The Department of Public Instruction, therefore, welcomed the opportunity to participate in the Annual Conference of the Building Inspectors of the Department of Labor and Industry and present the purpose of the general continuation school. It was encouraging to note the change in the point of view which followed the presentation of the purpose of the continuation school and we feel assured that, because of this better understanding, better continuation schools will follow, not only in terms of physical equipment but in terms of enlarged service to the boys and girls who are in attendance.

(4) Adult Education

At the call of the Department of Public Instruction a conference on Adult Education was held. Our concept of education has been

enlarged so that, in terms of present day thought, the public schools must contribute to the educational needs of every individual, whether youth or adult. The conference made thorough analyses of the problem, an inventory of present facilities for this type of education, and established principles that should guide in the formulation of new policies.

(5) Superintendents' Conference at Harrisburg

The Annual Superintendents' Conferences sponsored by the Department of Public Instruction were held in November 1924, and November 1925. Participating in these conferences were numerous superintendents and supervisory officials of the school districts of Pennsylvania. At the opening evening session of the 1925 conference the Governor and practically all heads of Departments appeared and severally explained the practical interest of the various branches of the State government in education. Typical topics presented at these conferences were "Administrative Problems," "Keeping the Public Informed, "Problems of the Junior High Schools," "The Work-Study-Play Plan of School Organization," "Evalnating the One-Teacher School," "Possibilities and Needs of the Small High School," and "County Program of School Improvement and Growth."

(6) Superintendents' Conference at State College

The Annual Superintendents' Conference at the Pennsylvania State College was devoted specifically to problems of Rural Education. Committee meetings of representatives of allied organizations had been held from time to time and policies formulated in the following phases of the problem: "One Teacher School," "Consolidation," "Rural High Schools," "Teacher Training," "Vocational Education." The conference at State College consisted largely in a public presentation of the findings of these committees and the consideration of the desirability and feasibility of incorporating them as a part of the legislative program of the Department of Public Instruction.

(7) Staff Teaching Service

The colleges and normal schools of the State have made in recent years extensive requests of the Department of Public Instruction for assignment of members of its staff for teaching service in connection with summer sessions. These requests have been fully granted, in so far as it was possible to do so without disturbing the regular work of the Department. The purpose of these assignments is to place before groups of administrators and teachers in summer schools the program and policy of the Department in various fields of educational work in which it has a legal responsibility.

(8) Staff Service to Education at Large

It is gratifying to note that members of the professional staff of the Department of Public Instruction have received recognition by the prominent professional education institutions, associations and foundations of the nation. This recognition has been given by election to official positions, by appointment to important committees

and by publications and addresses contributing to the general advancement of education.

(9) Professional Status of the Department Staff

The professional service of the Department in last analysis is dependent upon the professional standing of the individual. The recognition noted above in part indicates the status of our professional staff as does also the fact that many of our staff have advanced in the profession to positions of even greater opportunity and responsibility.

(10) A Survey of Aims and Methods.

A comprehensive study of the purposes and methods of the secondary and higher education in Pennsylvania is being undertaken jointly by the association of college Presidents of Pennsylvania and the Department of Public Instruction with the professional and financial cooperation of the Carnegie Foundation for the Advancement of Teaching. The purpose of the study will be to co-ordinate aims and instructions and provide continuity of educational purposes and achievements throughout the period of secondary and higher education.

B. Interpreting the Schools to the People

No progressive State or local program of public education is possible of attainment without the support of an intelligent public opinion. With this in mind, the Department of Public Instruction endeavors to keep school districts and the public fully informed so as to secure not only co-ordination of the educational forces of the State, but also the support of the public, as it expresses itself through the ballot, through boards of education, through various clubs and civic groups and public-spirited citizens.

C, Educational Legislation and Subsidies

Finally the Department of Public Instruction is co-responsible with the school districts and the educational agencies of the State for the enactment of progressive legislation and the securing of adequate educational subsidies. Public schools, however, are "of the people", and progressive educational legislation must ever be dependent upon the active co-operation of all earnest and intelligent individuals and agencies that have at heart the highest good of the boys and girls of the present generation, the consequent prosperity and happiness of the men and women of the next, and the future safety, therefore, of the Commonwealth.

THE STATE COUNCIL OF EDUCATION HAS FUNCTIONED ACTIVELY AS A REGULATORY BODY

The School Code places upon the State Council of Education specific responsibilities for the development of certain phases of the State's educational program. During the past biennium the State Council of Education was reorganized under the provisions of the Administrative Code so as to meet these obligations more adequately. A deputy superintendent was appointed secretary to the Coun-

cil to prepare the docket and to carry out, under the general directions of the Superintendent, the decisions of the Council.

The report of the State Council of Education shows the following important constructive work: Equalization of educational opportunity through the administration of the State School Fund (School Code, Section 2704); encouragement of vocational education through the application of the provisions of the Federal Smith-Hughes Vocational Act; establishment of standards of approval for consolidated schools; establishment of standards of approval for re-opening one-teacher schools closed because of attendance of ten pupils or fewer; establishment of standards of approval in accordance with which the State normal schools will gradually develop into four year degree granting institutions; establishment of standards for approval of degree granting power in case of liberal arts colleges; adjustment of true valuation of certain school districts.

SPECIFIC SERVICE IN THE PROFESSIONAL AND ADMINISTRATIVE FIELDS GIVEN BY THE DEPARTMENT

The professional staff of the Department of Public Instruction is available at all times for service to the school districts and educational interests of the Commonwealth. The policy of the Department is not to encroach upon local authority but to aid local districts to a better understanding and solution of their varied educational problems. Such service includes interpretations of school law, studies of local problems and conditions, office and field conferences, and other professional assistance through correspondence. Another important service is rendered through Department publications. A recent contribution of great value has been the inauguration of a series of Educational Monographs supplying information regarding important current developments in the various fields of educational endeavor. During the past year incoming mail, including official reports, totaled 413,391 pieces and outgoing mail, 273,949 pieces. This does not include the educational publications of the Department distributed through the Division of Documents. The. efficiency of the Department has been measurably advanced by the installation of a modern central filing system and by adequate provision for the care of the records for which the Superintendent is custodian, and by the installation of a statistical service with modern tabulating equipment.

An analysis of the services of the professional staff for 1925-26 reveals that the number of significant field service contracts, and conferences reached a total of 7404.

An example of the administrative service supplied by the Department to the agencies placed within it by the Administrative Code is shown in the co-operation of the fourteen examining boards with the Department in the preparation of legislation, as a result of which all special funds for these boards were done away with and clear-cut provision made for budgeting their expenses through the Department with provision for the purchase of supplies, equipment, and printing through the Department of Property and Supplies.

THE DEPARTMENT OF MILITARY AFFAIRS

The peace and good order of the Commonwealth during the past four years is best evidenced by the fact that the Pennsylvania National Guard was not called upon for strike or riot duty. Only once was it necessary to call units of the Guard into emergency service, and that was to carry on a search for a United States mail aviator, who fell while flying over the Central part of the State.

The department has increased its efficiency so markedly as to attract national notice; has improved its morale particularly at the annual encampment, until serious infractions of discipline are less than 20 per cent of what they were formerly and has, in general, made such progress in both personnel and organization as has brought to it official recognition throughout the United States as one of the leading organizations of its kind.

INCREASED EFFICIENCY

Frequent reference is being made to the Pennsylvania Guard by the War Department in connection with similar organizations in other states and the comparisons are very favorable to this State.

As an instance: The system of property accounting established in the State since 1923 has been accepted by the Federal government as ideal, and the War Department is recommending the use of this system, frankly calling it the Pennsylvania System.

The increased efficiency in administration, under the Administrative Code, has been very marked. The clerical work required of the Department is approximately twice what it was five years ago (due to additional reports required by the War Department) and yet the Department is functioning successfully with an approximate increase of 2 per cent in clerical force.

The Records Division has about completed checking the cards of the 380,000 soldiers from Pennsylvania who served in the World War. More than 50,000 of these cards were checked as incorrect and returned to the War Department for verification in order that the records in this Department may be correct and complete. These records will be of the highest value in making a fair allotment of the bonus to Pennsylvania veterans if the people vote favorably on the amendment authorizing this bonus in 1928.

The Records Division also is preparing historic sketches of various organizations, serving from the State of Pennsylvania. These are being filed at Washington for future reference in connection with Pennsylvania's part in the World War.

MEETS FEDERAL REQUIREMENTS

Pennsylvania has become, during this administration, one of the four states having a complete division as authorized by the National Defense Act and is one of the two states in which this division is one hundred per cent organized. Recent inspections of the Guard by Federal authorities have brought nothing but favorable comment as to equipment, organization and training.

For many years efforts were made to bring about a closer relationship between the National Guard of the several states and the Federal Government with the idea of having one Army of the United States. The World War was largely instrumental in bringing about such a union and an Act of Congress, finally passed and approved by the President in June 1920, authorized it.

It was during the past four years, however, that the organization of the Pennsylvania National Guard to conform with the requirements of the Federal Government was achieved. Today the Pennsylvania National Guard is a recognized part of the armed forces of the United States.

To complete the 28th Division as required by Tables of Organization issued by the War Department the following units were formed:

Service Company, 103rd Medical Regiment, Coraopolis, June 26, 1924, Collecting Company No. 107, 103rd Medical Regiment, July 1, 1924, with headquarters at Chestnut Hill, Philadelphia.

Headquarters Hospital Battalion, 103rd, Medical Regiment, at Lebanon, October 1, 1925.

MILITARY RESERVATION

For the purpose of training the National Guard the State had previously acquired at Mt. Gretna, Lebanon County, a military reservation of approximately 3,000 acres. During the past four years more than five miles of improved roads have been completed on the reservation and a concrete road almost four miles long, connecting the reservation with the Philadelphia highways east of Mt. Gretna, has been completed. The location of this road was selected under the Act of Assembly by the Adjutant General and all rights of way obtained without any cost to the State. The road itself was completed by the Highway Department. Within the past four years new buildings worth about $93,000 have been erected. Additional artesian wells have been dug, making possible a water system capable of sustaining a military population of 50,000. A 200,000 gallon reservoir has been completed and connected with the water system. The capacity of the rifle and pistol ranges has been doubled and many important training features have been added.

ANNUAL ENCAMPMENTS

The improvement in the conduct of the men at these annual encampments has been most marked during the last four years, and is largely due to the much stricter enforcement of prohibition under this administration. Prior to the World War attempts were made to keep liquor from the camps but this was comparatively ineffective when liquor was flowing freely in the neighboring towns and cities as was quite generally the case before this administration.

The older officers are amazed at the present improvement in general conduct. Very seldom are men absent without leave and serious infractions of discipline are less than one fifth of what they were. The commanding officer states that he cannot recall, during the last three years, a single case of serious trouble—where a man was arrested, tried and punished—due to intoxication. This

has resulted in greater efficiency as a military force and a better spirit between officers and men.

Under the provisions of Acts of Assembly and the requirements of the National Defense Act, the Pennsylvania National Guard participated in annual camps for field training at Mt. Gretna, Tobyhanna, Fort Monroe, Langley Field and Camp Meade during the summers of 1923, 1924, 1925 and 1926.

In addition to the regular camps of instruction, there were held each year at Mt. Gretna and in 1924 and 1926 at Tobyhanna, special camps of instruction for officers. These camps of instruction were held for a period of four days and officers attending received intensive instruction in all work contemplated for the regular summer camp.

PERSONNEL

The officer personnel in the Pennsylvania National Guard is of considerably higher character than at any previous time and is professionally very far in advance of the organizations maintained by the State prior to the World War. This is principally due to three factors:

1. The State Legislature in 1923, recognized the value of continuous service on the part of commissioned officers and the consequent improvement in training, amended the laws so as to make the commission as an officer of the Pennsylvania National Guard permanent instead of for a given period of years. This was an important step forward in the betterment of the Guard, and tends to remove the commissioning of officers from the influence of internal regimental or company politics and to elevate the standard of officers of the Guard.

2. The policy has been continued of choosing all commissioned officers by appointment after an examination. This policy, inaugurated a few years before, supplanted the custom of choosing officers by election which had the bad feature of making a man's election depend much more on his qualities as a "good fellow" than his ability to command and control his subordinates. The highest standards have been maintained in both the professional and physical examinations preliminary to appointment.

3. The increased prestige of the organization together with the permanent commission has made these positions decidedly more attractive to men of ambition and ability.

SPECIAL SERVICE—SEARCH LOST AVIATOR

On October 5, 1925, an aviator of the United States Air Mail Service was reported missing. It was said that his plane was wrecked somewhere in the mountains of Central Pennsylvania, and orders were issued by Governor Pinchot for certain units of the Pennsylvania National Guard to participate in the search for the lost aviator.

The following units, a total of 19 officers and 275 enlisted men assisted in the search for a period of five days:

Headquarters, 52nd Machine Gun Squadron,

Medical Detachment, 52nd Machine Gun Squadron

Troop A, 52nd Machine Gun Squadron
Troop B, 52nd Machine Gun Squadron
Troop C, 52nd Machine Gun Squadron
Troop B, 104th Cavalry
Troop F, 104th Cavalry

The telegram from the Governor directing the mobilization of units of the National Guard to assist in this search was received at ten o'clock in the morning on October 5, 1925. By four o'clock in the afternoon of the same day Major H. Laird Curtin, commanding the 52nd Machine Gun Squadron, had mobilized the units indicated in orders issued by General Price for this service and took the field and aided in the search. A large portion of Centre, Clearfield and Jefferson counties were covered in this search. The rapidity with which these troops mobilized and the splendid manner in which they performed this difficult duty is highly creditable to the discipline and training of the Pennsylvania National Guard and is indicative of the type of service the Guard stands ready to perform for the State whenever the emergency may arise.

THE DEPARTMENT OF AGRICULTURE

During the last four years the work of this Department which is of the first importance,—not only to the farmer but every person in the State through his need of wholesome food—

has increased in quantity and scope of work undertaken,—more cattle have been tested for tuberculosis than ever before in the history of the State; more prosecutions have been made for the violation of food laws; new plans have been developed for the control of serious animal diseases; sprays and other controls for destructive plant insects have been devised; poultry, fruit and grain marketing problems are being studied; and farm taxation had been made the subject of detailed inquiry and field study for the first time.

has set a high standard of performance,

has, by reorganization, been able to keep in closer touch with the daily problems of the farmer and render prompter aid through bulletins, market reports and crop and live stock reports.

has elicited much fuller cooperation from the farmers in the aims and work of the Department.

BUREAU OF ANIMAL INDUSTRY

BOVINE TUBERCULOSIS

Bovine Tuberculosis has been eradicated more rapidly from the herds in Pennsylvania since 1923 than ever before.

PROGRESS OF BOVINE TUBERCULOSIS ERADICATION

1919 — 1926

Year	Number Herds Tested	Number Cattle Tested	Number Reactors
1919	2,265	30,149	2,438
1920	2,100	31,393	2,802
1921	2,515	37,196	3,391
1922	5,393	78,308	3,845
1923	17,038	186,170	7,498
1924	28,429	246,266	6,697
1925	47,491	382,204	24,444
*1926	42,412	344,449	20,637

*To December 1, 1926

This work of eradication protects the health of the people of the State as it is a generally accepted fact that a substantial percentage of those affected by tuberculosis, *particularly children,* have acquired the disease through tuberculous animals.

It also protects the farmers from heavy losses in livestock.

The campaign against bovine tuberculosis carried on under this administration has been so effective that it is estimated that tuberculosis can be practically eliminated from the State within several

years,—provided, of course, sufficient appropriations are made and the plan of area testing inaugurated under this administration is continued.

Under the area plan, begun in April, 1923, all the cattle in an area of one or more townships were tested at one time and followed up by the necessary retesting, with practically tuberculosis-free areas resulting. By December 1, 1926, testing on an area basis progressed to a point where the herds in 536 townships in 45 counties were completely tested. In 7 of these counties, the disease has been reduced to less than one-half of one per cent. More than 40 per cent of all cattle in the State have now been tested.

More money was appropriated by the State to pay indemnity to the farmer for tuberculosis of the cattle during the past four years than all previous years combined. Against bitter opposition, the department, vigorously supported by the administration, succeeded in getting appropriations totalling $2,884,000 from the 1923 and 1925 Legislatures.

The tuberculosis work has already progressed to a point where its benefits to the dairy industry are apparent. It is resulting in the more efficient production of milk, first because of the freedom from disease, and second because of the greater number of pure breds, especially sires introduced into disease-free herds. It means a more healthful product for the public as as a better market outlet for the producer; the market is expanded for the breeding stock as well as the dairy products. This is shown by the active demand for dairy products in counties where all herds have been tested, high grade dairy cows and foundation pure bred breeding stock.

MEAT INSPECTION

The meat inspection work (which protects the public from diseased and other unwholesome meats by investigating meat markets and slaughter houses), has been much more extensive than ever before. Comparative figures of inspections are given for 1919 and 1925.

	No. of establishments	No. of carcasses	No. of pounds of meat
1919	1,424	22,994	528,088
1925	6,125	63,016	2,287,426

While violations are still found in meat markets and slaughter houses and the owners prosecuted, the more rigid and frequent examinations have greatly improved conditions.

CONTROL OF BOVINE ABORTION

It is estimated that bovine infectious abortion causes a loss of $5,000,000 in Pennsylvania each year.

The Department of Agriculture has worked out a plan for effectively controlling this disease. While this plan was adopted in 1921, widespread use of it among the farmers and therefore general benefit from it have been achieved only during the last three or four years by the improved publicity methods of the Department and its closer contact with the farmers.

This plan, known as the Pennsylvania plan for prevention, control and eradication of abortion, consists of blood tests in conjunction with proper sanitation. The following table of the number of blood samples submitted is significant of the growing interest of the farmers:

Year	Samples
1923	3,037
1924	4,737
1925	9,550
1926*	12,179

*To December 1, 1926

The plan, in herds properly treated has been unusually successful in controlling and eradicating the disease.

OTHER ACTIVITIES

Equally outstanding work has been done in the past four years by this Department in combatting hog cholera, foot and mouth disease and a number of diseases that seriously menace live stock production in the State.

EXPERIMENTAL FARM

An experimental farm was purchased in 1924 and numerous studies of serious animal diseases and parasites, which cause losses aggregating millions, are now under way. These include such diseases as hog cholera, infectious abortion of cattle, tuberculosis of cattle and poultry, Johnnes's disease, and common diseases of poultry. Parasites of sheep, hogs and poultry also come in for considerable attention.

DOG LAW VIGOROUSLY ENFORCED

The Pennsylvania Dog Law has been vigorously enforced with the result that 131,375 more dogs were licensed in 1925 than in 1922 and 184,761 more than in 1921 when the enforcement was in the hands of county officials.

BUREAU OF FOODS AND CHEMISTRY

MERGER OF TWO BUREAUS

On April 1, 1924, the Bureau of Foods and the Bureau of Chemistry were merged in the interest of economy and without hampering the work. Previous to the merger each Bureau had its own directors and field agents and maintained separate administrative offices which led to some duplication and unnecessary expense.

The work during 1925 amply proves the wisdom of forming the merger. A total of 13,171 samples of foods and agricultural products were collected for analysis in 1925 as compared to 10,838 in 1922, and total of 1,628 prosecutions were successfully terminated as compared to 1,095 in 1922.

FIELD INSPECTION INCREASED

The number of field inspections and investigations in connection with the enforcement of the various laws has been increased from 33,261 in 1923, the first year for which a close record was kept, to 63,238 in 1925.

HIGH QUALITY FOODS

At no time in the history of the food law enforcement work have conditions been so satisfactory as during the past few years. Probably 99 per cent of the general food supply exceeds the requirements of the law.

BETTER FERTILIZER

Due to an amendment to the fertilizer law by the 1925 Legislature and the rigid enforcement of provisions of the law, the quality of fertilizer offered for sale to farmers has greatly improved. The number of brands has been reduced and farmers find it less confusing to make purchases.

REVENUE EXCEEDS EXPENDITURE

Each year, since 1909, the revenue created by the Bureau of Foods and Chemistry, through the collection of license fees and fines, has exceeded the expenditures. The marked advance since 1922 is not in increase of revenue but in giving more service without increased expense.

Years	Revenues	Expenditures
1922	$548,479	$146,050
1925	$560,225	$144,377

With a smaller actual expenditure in 1925, a greater amount of service was rendered. This is indicated by the fact that 2,333 more samples were analyzed, and 533 more prosecutions terminated. Nearly twice as many field inspections were made during this period.

	Samples of Food Analyzed	Prosecutions Terminated	Field Inspections	
1922	10,838	1095	33,261	(1923)[1]
1925	13,171	1628	63,238	

[1]Field inspection records not compiled previous to 1923.

BUREAU OF MARKETS

BETTER HOME MARKET FOR WHEAT

In order to stimulate the use of flour made from Pennsylvania-grown wheat, a special blend of this flour with flour from hard western wheat was developed in 1923 by the Department in cooperation with millers. This flour has given results better than either flour when used alone. During May, 1925, special demonstrations of the use of this flour were made in 14 state institutions. This has increased the popularity and use of this flour.

The Department has been interested in expanding the home market for Pennsylvania-grown wheat, one of the most important cash crops produced in the State. A total of 22,720,000 bushels of wheat, valued at $33,398,000, were produced in the State in 1925. Investigations in wheat marketing were started in 1920 which since have revealed causes for discounts from the price for the No. 2 grade amounting to several million dollars each year. Among these causes is the presence of garlic, cockle, Angoumois grain moth, smut and high moisture content. No other State has gone into the terminal and secured the facts revealed by this study. Farmers are being shown how to avoid this loss by the production of better wheat.

Pennsylvania-grown wheat, when free from impurities, moth infestation, smut, damage, etc., is considered the best soft red winter wheat produced in the United States. The better grades of this wheat sell for approximately the same price as similar grades of hard winter wheat from Kansas and Oklahoma and the hard spring wheat from the Dakotas and Minnesota. In certain years like 1924 and 1925 a large quantity of Pennsylvania wheat brought a premium over the grain from other soft winter wheat producing areas, indicating the higher quality of the local wheat and the importance of continued improvement of milling quality and eliminating the factors which reduce the grade and the price.

BETTER BABY CHICKS

The Department has undertaken several lines of work in poultry, and egg marketing since 1923. The accredited hatchery work, designed to standardize the quality of baby chicks and to reduce the great loss from the dreaded bacilliary white diarrhea which has been known to wipe out entire flocks of baby chicks, was started in the fall of 1924. The popularity of this work has increased by leaps and bounds. One phase of the work is the inspection and certification of laying hens after culling out all reactors to a blood test. The number of hens inspected increased from 3,100 the first year to 21,100 the second year and an estimated total of 50,000 the third year.

COOPERATIVE EFFORT INCREASED

Cooperative buying and selling has made real progress in Pennsylvania during the past few years. The amount of business done cooperatively and the membership of the associations are both increasing. The financial condition of most of the associations is better than in previous years. For the first time since the passage of the Cooperative Act in 1919, the Department, as a result of keeping everlastingly after each organization, received a complete and satisfactory set of annual reports from the cooperative associations in 1924. A complete analysis of these reports was made and the facts revealed were placed in the hands of the local associations.

MARKET REPORTING SPEEDED UP SINCE 1923

The radio has been used to give the reports on prices, supplies etc. prompt distribution, and such features as "marketing hints for housewives" have been put on the air each week. In August 1926

the cooperation of the press associations was secured and reports are now wired promptly to both morning and evening papers throughout the State. A recent check indicates that newspapers having a daily circulation of approximately 2,750,000 are regularly publishing one or more of the various reports issued by the Department. A special grape report for the grape growers in the Erie district has been developed by the Department and a special report on wheat and flour for the benefit of millers was started in 1925.

The Department has been collecting the records of carlot receipts of fruit and vegetables in 15 important cities in the State since 1921. These were analyzed in 1926 and a bulletin published which gives the most complete information on the extent of consumption, source of supply, competition and the shipments of potatoes ever available to the potato grower within the State.

MORE GRADED FRUIT

The Department started its shipping-point inspection work in 1923 to aid producers and shippers in the standardization of their product and to reduce the waste and uncertainty involved in marketing an ungraded product. This service has become very popular with the producers who pay a fee to cover the cost of this service.

In 1926, 435 carloads of peaches and approximately 1,000 carloads of apples were inspected. This is an increase from 72 carloads of peaches and 234 carloads of apples in 1924.

BUREAU OF PLANT INDUSTRY

During the past four years, this Bureau has combatted, with marked effectiveness, the insects and plant diseases which exact every year a toll of from 20 to 25 per cent of the plant crops of Pennsylvania. Space permits the mention of only a few examples:—

Japanese beetle control has made distinct progress since 1922. In cooperation with the Federal government, parasites that live on and kill different stages of the beetle have been introduced by thousands from Japan, several sprays have been developed which either repel or kill the beetles and the quarantine has been rigidly enforced. The spread of the infestation has been definitely slowed up and, in isolated areas, it has been eradicated.

The European Corn Borer which has become, since its introduction in 1919, one of the most serious insect pests in the State, received summary treatment in the Spring of 1926. The first concerted effort was made to clean up and burn all corn crop remnants in order to kill over-wintering larvae. Excellent cooperation was secured and at least 95 per cent of the fields were cleaned up in the badly infested counties. An absolute embargo is placed on the movement of corn and other carriers of the borer out of the area, no inspection or certification being allowed.

Patrols to enforce this are maintained in most cases for 24 hours a day. This also is a joint undertaking with the United States Department of Agriculture.

The extent of Peach Yellow Infection in the important peach-producing counties has been reduce from 2½ percent in 1922 to approximately one-third of one percent in 1926.

Decided progress has likewise been made in combating the potato wart, blister rust, foulbrood among bees, and serious greenhouse pests. Specialists in the department are devoting much time to the study of the Oriental Fruit Moth in order to develop an effective method of checking its destructiveness.

An infestation of the much dreaded Brown-tail Moth was avoided by thorough nursery stock inspections which resulted in the discovery of a complete nest in an importation from France and the prompt destruction of the infestation.

Prompt and rigid nursery inspection again saved Pennsylvania from a possible infestation of the Gypsy Moth in 1923. This insect is costing the New England States millions of dollars. That this extremely important work of nursery inspection is being done thoroughly is proved by the fact that 682 nursery inspections were made in 1925 as compared to 263 in 1922.

The Department laboratories rank high in scientific achievement. Mrs. Mary C. Mowery, seed analyst of the Department, in 1926, made a perfect score in analyzing for purity and germination eight samples of seed sent out by the research committee of the Official Seed Analysts of North America. The samples were sent to the seed analysts throughout the United States and Canada for testing and reporting the results to the Committee. Mrs. Mowery was the only analyst, among the 31 persons taking part, to make a perfect score.

BUREAU OF STATISTICS

UNIFIED CROP REPORTING

Previous to 1924, this Department and the United States Department of Agriculture had been maintaining separate crop reporting services. In order to avoid duplication and to effect greater economy with increased efficiency in service, this work was merged under a cooperative agreement, effective March 1, 1924. The time, effort and expense so conserved through this cooperative arrangement have been utilized in expanding and making more valuable the crop reporting service.

This Department has been a pioneer in the development of special data pertaining to the principal items of equipment and conveniences on the farm and in the farm home.

SPECIAL REPORTS

Numerous special reports have been developed by the Department since 1922. These include the commercial apple report, a grape report, potato stocks report, planting intentions report and an outlook report on each branch of agriculture. A survey of the commercial peach orchards was made in the fall and winter of 1925-1926 in order to determine the trend of the industry in Pennsylvania and other important producing sections.

FIRST TRIENNIAL FARM CENSUS

In the fall of 1924, the first triennial farm census in Pennsylvania was taken in cooperation with township and borough assessors and

county commissioners. This information is now being widely used by agricultural interests. Almost daily, requests are received for this information.

FARM TAXATION STUDIED

In 1925, the Department in cooperation with the Pennsylvania State College made a study of farm taxation in Pennsylvania, which disclosed some rather glaring inequalities in assessments of property in different counties and of different classes of property. The findings of this study which will prove extremely helpful in solving the farmers' tax problem, are being published in bulletin form.

LEGISLATION

The Department was instrumental in the passage of a number of laws of immediate interest and benefit to farmers at both the 1923 and 1925 sessions of the Legislature. Among the laws actively supported by the Department and passed at the two sessions are:

Jones Filled Milk Law and Ice Cream Law, protecting the market for dairy products by making it unlawful to use substitutes in milk or ice cream.

Milk Bottling Law, preventing skimming, furnishing a better product and leading to greater consumption.

Milk Testers Law, protecting dairymen in the sale of milk by checking tests and licensing weighers, samplers, and milk plants.

Market Law, providing for standard receptacles for farm products.

Amendment to Fertilizer Law, prohibiting sale of certain low grade fertilizers, to better protect the farmer—also special clause on tobacco fertilizer to protect tobacco growers.

A law making the stealing of farm property larceny, giving the farmer protection he never had before from anyone stealing any kind of property whatsoever, and imposing a fine not to exceed $500 or imprisonment not to exceed three years.

Emergency Fund Law, creating a fund for protection in case of certain outbreaks of plant or animal diseases.

CLOSER RELATIONS WITH FARMERS

STATE COUNCIL

On February 20 1923, the State agricultural officials brought together in conference in Harrisburg the representative minds from Pennsylvania farms and the principal divisions of agricultural acitivity. Two hundred or more farm leaders were present. These men made the first organized attempt of the combined farm interests to outline a policy for improving Pennsylvania's system of production and marketing.

Lasting results were assured the conference action in the formation several months later of an advisory group known as the Pennsylvania State Council of Agricultural Associations which has since been active in the farmers' interest, including such projects as rural electrification, increased indemnity for tuberculosis eradication and agricultural research. The purposes of this Council as stated in its constitution are as follows: 1. To bring together representatives of agricultural associations and agencies for mutual understanding

and discussion of their problems. 2. To coordinate agricultural policies for definite action. 3. To initiate and support measures beneficial to agriculture.

DISSEMINATION OF INFORMATION

A weekly news bulletin is prepared and mailed to every newspaper and farm journal circulating in the State as well as to all farm leaders and farm organizations interested in the betterment of Pennsylvania agriculture and farm life.

Complete reports on certain features of the Department's work especially the analysis of foods, feeding stuffs, fertilizer and lime, are issued from time to time in order that the public may know the exact condition of the products they buy.

Realizing the need for a popular, printed statement and record of the work done by the Department, a report was published covering in detail activities during 1925, as well as tables giving important statistical information as far back as 1916. A monthly publication entitled "Keystone Cooperation" was first issued in 1925. This is designed to encourage cooperative buying and selling in the State.

While the bulletins are given wide distribution by means of several mailing lists maintained by the Department, the value of such publications is best evidenced by requests for approximately 25,000 bulletins during 1925.

DEPARTMENT OF FORESTS AND WATERS

The forest fire protective system of Pennsylvania has been so perfected that for the first time in our history since forest destruction began to exceed forest production, the amount of wood produced by the forests of Pennsylvania now exceeds that destroyed by fire.

The forest record of Pennsylvania is changing from heavy and unnecessary losses to substantial and growing gains. We are on our way to regain our place as a great wood-producing State.

This is a direct result of efficient fire protection. That is clearly shown by the fact that the decrease is not in the number of fires but in the average area per fire, indicating that the fires were promptly detected and checked.

Years	Average Annual Number of Fires	Average Area Per Fire (Acres)
1913-15	1,070	339
1916-20	1,458	142
1924	1,947	48
1925	2,562	48.5
1926 (Spring)	.....	81.5

The fire season during the spring of 1926 was unusually long and as severe as any season ever experienced since the Department was established. From the middle of April to the middle of May there was a severe drought accompanied with high and dry winds over the entire State. In some forest districts 30 days elapsed with less than one-tenth of an inch of rainfall. Therefore the fires were hard to extinguish and very difficult to keep under control. In spite of these unfavorable conditions the size of the average fire was held to 81.5 acres. Since records were first kept there have been only two spring fire seasons—1924 and 1925—with a lower average.

Never in the history of the Department did the people respond more fully to the forest fire situation than in the spring of 1926. In a number of cases District Foresters could not use advantageously all the people who volunteered to fight the fires.

During the last four years the forest fire detection and extinction forces have been greatly strengthened. The observation towers have been increased and the telephone lines extended. There are now 115 forest observation towers in use. The inspection and removal of fire hazards has been given special attention, and those responsible for coping with forest fires have been charged fully with their responsibility.

REORGANIZATION

The reorganization of the Department was begun in 1920 when Gifford Pinchot was appointed as its head. A budget and accounting system was adopted. Systematic field inspection was put into effect, the entire State was districted, a technical forester placed in charge of each district, and each responsible officer was given a chance to show what he could do. With greater responsibility placed

in the field officers, more just recognition in salary was given them. Comprehensive plans were prepared and closer co-operation was secured with timber land owners, railroad companies and industries for the prevention and control of forest fires. Assistance was offered and rendered owners of forest land for the improvement of their property. The public was given full information concerning the work of the Department and the forest situation in Pennsylvania.

The beneficial effects of the reorganization were marked not only in improved service to the public but in increased interest from the people of the State and definite support of the Department's determined stand to improve forest conditions in Pennsylvania.

This reorganized Department of Forestry formed the nucleus around which the present Department of Forests and Waters was constructed and is administered.

By the Act of June 7, 1923, the Department of Forestry, the Water Supply Commission and the Topographic and Geological Survey were merged into one department known as the Department of Forests and Waters. Not only has this meant a considerable saving in administration costs but it has brought about a much closer coordination in their work, and the results show conclusively the wisdom of administering the forest, water and geologic resources of the State under one head. It is a distinct advantage in carrying out a comprehensive program.

Particularly notable work has been done in arousing the public to the immense importance of these resources in the present and future welfare of the community. This interest takes a very concrete form. Generous co-operation has been given in the reporting and fighting of fires. The forest owners are doing more replanting and taking a more enlightened interest in their forest lands than ever before. The public at large is using the State parks for recreation and rest to an increasing extent. Through the press of the State, through schools and public discussion, a strong sentiment is growing up in favor of conservation.

REVENUE FROM STATE FORESTS

Through wise forestry practice, the State lands without any damage to their timber values are now yielding a considerable income to the State. The receipts are made up largely from the sale of lumber, poles, fuelwood, minerals, rentals, leases and other privileges. The receipts during the last four years, made up in large proportion from the sale of blight killed timber, total $395,405. This four-year income exceeded by almost $90,000 the total income during the first 22 years (1900-21) of State ownership.

More than $100,000 of this sum went into the State School fund. As the forests become more mature and cutting operations more extensive, the income will increase appreciably. Before many years the forests will be a big factor in maintaining the schools of the State.

FOREST PURCHASE PROGRAM

The most progressive step in Pennsylvania forestry during many years is the proposed bond issue of $25,000,000 for the purchase by the State of approximately 3,500,000 acres of forest land. A reso-

lution to amend the State Constitution so that the forest bond issue may be authorized, initiated and supported by the Department and the Administration, passed the 1923 and 1925 sessions of the Legislature. This proposal is now ready to be submitted to the people in 1928.

The total area of forest land owned by the State on May 31, 1926, was 1,131,783 acres. This land was acquired at a total purchase price of $2,560,298.25, an average of $2.26 per acre. As no appropriation for the purchase of forest land has been made by the last three Legislatures, the land purchase program has dwindled to a negligible figure.

However, the passage by two Legislatures of the amendment necessary to authorize the bond issue shows a keen interest in the forest program. When the question is submitted to the people, it is confidently expected that they will show emphatically their approval of this measure to safeguard the wood needs and the general welfare of the State.

The best way to insure adequate timber supplies, public playgrounds, hunting and fishing grounds, and health centers for all people and to protect our water supplies is to maintain large areas of publicly-owned forest land in all parts of the State. Future citizens need the protection and privileges afforded by State-owned forest land—a heritage that is justly theirs. The State-owned lands are managed to bring the greatest measure of good to the greatest number of people. With 27 years of experience in forest land acquisition and management, Pennsylvania is well prepared to go forward with a sound and practical purchase program of enlarging her forest holdings.

NEW FOREST MAP

A new map (5x9 feet) showing the location of the larger forest areas of the State, was completed in 1925. According to this study there are 13,206,000 acres of forest land in Pennsylvania, 47 per cent of the total land area. The forest land is classified into two groups, (1) contiguous forest land and (2) detached forest land. The former comprises 11,489,225 acres and the latter 1,716,755 acres.

During the last four years almost 2,000 timberland examinations have been made for private owners of forest land. Each examination was accompanied with practical advice for proper handling of the property. In many cases written working plans were prepared. As a result of this work a better handling of privately-owned forest properties is taking place throughout the State.

The current trend in forestry is toward practice. Forest land owners are willing to do more in their forests, but they want to know how to do it and be sure their work is done right. The average forest land owner may be willing to read a little about forestry and to be told a few things about forestry, but what he wants is to be shown forestry in a practical way. To meet this urgent need special demonstration areas have been established in all parts of the State. The first was established in the Mont Alto State Forest in Franklin county in 1903. Since then 50 additional areas have been set aside, both on the State forests and on privately owned land. They have been developed under a wide range of forest conditions and cover many different phases of forest operations.

As a rule, each of these special areas is designed to show some special phase of forest work. The information gathered is of great value in determining forest methods which are silviculturally feasible and economically recommendable. Out of the more than 50 areas already established, 25 were laid out in the last two years. About 25 more areas will be developed next year. These areas are importtant study places, yielding valuable technical information about growth and production of our forests, and giving the cost of forest operations Present plans call for a rapid extension of this important line of work.

STATE FOREST SCHOOL

The Pennsylvania State Forest School now has the largest attendance since it was established in 1903. During the last four years the curriculum was revised and enlarged. A fourth year was added to the course of instruction, the faculty increased, and an annual study tour of the forests of continental Europe was made a part of the school program. The name of the school was changed to the Pennsylvania State Forest School. It has been recognized by the College and University Council of the State and authorized to grant the degree of Bachelor of Science in Forestry.

An economy was effected by dropping the technical course in Forestry at State College—thus avoiding the waste of spending public money on two similar courses, one of which trained men for private forest work only, and the other for both State and private work. Instruction in farm forestry is still given at the State Agricultural College, for obvious reasons.

The most important material improvement at the State Forest School, during the last four years was the erection of two instructor's cottages and a three-story brick building for the school, 153x69 feet, fireproof throughout. This building was projected in the budget of 1923 and provided for in the appropriation of 1925. When completed, adequate facilities will be available at the school for 100 forest students.

The revision and enlargement of the curriculum, the enlarged building facilities, and the improved teaching equipment now available at the school make possible unsurpassed educational facilities in practical instruction in forestry.

FOREST TREE PLANTING

Year	Number of Planters	Number of Trees
1910	23	66,374
1914	42	108,685
1922	1,323	3,670,621
1924	2,081	8,577,464
1925	2,156	8,604,091
1926 (Spring)	2,403	9,167,916

More than 30,000,000 forest trees furnished by the State were planted by private planters in Pennsylvania during the last four years. This is more than 100 times as many as were planted during the five years 1910-1914. In 1925, 75 times as many trees were planted as in 1915, just ten years earlier. In the Spring of 1926 more

than 9,000,000, trees were set out by private owners of forest land in this State. This is the largest number of trees set out during any planting season in the history of the State.

The rate at which forest tree planting has increased is one of the most gratifying signs in Pennsylvania forestry. It shows that the people of the State back their confidence in forest restoration by making the expenditure necessary to have their forest lands more productive.

In the forest tree nurseries operated by the Department there are now more than 20,000,000 trees available for planting in the spring of 1927. There is but one other State, New York, that has undertaken such a large tree planting program.

PLANTING ON STATE LANDS

During the last four years almost 2,000,000 trees have been planted on the State Forests of Pennsylvania. More trees would have been planted on the State Forests, but the demand for planting stock by private planters was so great and the need for planting so much more urgent on the privately-owned land that planting work on the State Forests was somewhat curtailed. A total of more than 36,000,000 trees have already been planted on the State Forests. Some of these planted trees are 50 feet high and 10 inches in diameter. They are splendid object lessons in practical forestry.

More than 17,000 trees have been planted during the last five years along the highways of Pennsylvania by this Department in cooperation with the State Highway Department. This tree planting work has made about 75 miles of Penn's highways more beautiful for travel.

Practically all of the forest trees used in the reforestation work in Pennsylvania are grown in nurseries operated by the Department. In order to insure an adequate supply of planting material a large central forest tree nursery was put in operation in the fall of 1925. It is located along the Susquehanna Trail in Northumberland County, five miles south of Milton. It is the largest Department nursery and will be a big factor in insuring an adequate supply of planting stock for future reforestation.

INSTITUTIONAL FOREST TREE NURSERIES

In addition to the forest tree nurseries operated by the Department, there are eight nurseries operated cooperatively with State institutions. These cooperative nurseries produce about 3,000,000 trees annually which are distributed for planting on State property and for the reforestation of privately owned forest lands. The nurseries at the Industrial Reformatory at Huntingdon and the Western Penitentiary at Rockview are the largest of the institutional nurseries. Such nurseries are maintained also at the Allentown State Hospital, Allentown: Danville State Hospital, Danville; Harrisburg State Hospital, Harrisburg; Torrance State Hospital, Westmoreland County; Wernersville State Hospital, Wernersville; and Polk State School, Polk. The outdoor work has proved both healthful and stimulating.

RECREATION

More people are now using the State Forests of Pennsylvania for rest and recreation than ever before. Records show that almost 1,000,000 people are now going to the State Forests each year to hunt, fish, rest, play and for other forms of recreation. There are now within the State Forests seven State Forest Parks, nine State Forest Monuments, three Special Scenic Areas, 36 Public Camp Grounds, and more than 1,500 permanent camp sites.

Most of these recreational facilities were made available to the people of Pennsylvania during the last four years. Among those who visited the State Forests during 1925 were 32,000 fishermen and 185,000 hunters. A conservative estimate shows that in 1925 at least 60,000 people saw Pennsylvania from the 115 observation towers that stand on the high hills and mountains of the State.

BUILDINGS, ROADS AND TRAILS

During the last four years 115 new buildings have been erected on the State Forests. Among these buildings are 66 cabins, 12 shops and sheds, and seven dwellings. In this period more than 100 miles of roads and about 150 miles of trails were opened. The Department now maintains 1,318 miles of road and 2,544 miles of trail. At the last session of the Legislature the State Department of Highways was authorized to spend $100,000 annually in the construction and maintenance of roads within the State Forests. This is the first time that a definite and comprehensive program of road work on the State Forests has been undertaken in cooperation with that Department.

STATE PARKS

At Valley Forge Park debts for the purchase of land, some of which have been accumulating interest since 1917, have been liquidated in the amount of $473,771.71. During the last two years much improvement work has been done at this historic spot. The Memorial Arch has been repaired, Washington's headquarters restored to a condition approaching that at the time when it was occupied by General Washington, and the roads throughout the Park have been reconstructed at a cost of approximately $100,000. A comprehensive plan of administration and improvement is in effect and the continuation of this will make of the Park a lasting credit to the people of Pennsylvania.

At the Presque Isle State Park near Erie efforts have been concentrated on the completion of a road extending through the peninsula. One of the most desirable recreation places in northwestern Pennsylvania will be more generally accessible through the completion of this road.

At Washington Crossing Park, on the Delaware, several additional properties have been acquired at an expenditure of $35,000. Other purchases are contemplated to complete the Park unit. A comprehensive plan for the development and improvement of the park was put in effect in 1924 and considerable progress has already been made under it. Adherence to the plan will make of the Park

one of the beauty spots of eastern Pennsylvania as well as a fitting memorial of the great event in history it commemorates.

CONTROL OF WATER POWER

Prior to 1923, Pennsylvania had no fixed policy governing the control or regulation of its water resources with respect to the development of water power. There is now a law that protects the State's interests, promotes power development, and permits the formulation of a definite water power program. This law (June 14, 1923) follows closely the Federal Power Act.

Provision is made under it for the issuance by the Water and Power Resources Board of permits, limited to a maximum of fifty years, with extensions and renewals until the net investment is repaid, for the construction of dams and other changes in streams for the development of water power and for the use of water in the generation of electric energy for public use. The issuance of the State permit is contingent upon the grant of a Federal license where the waters involved are navigable. Should the Federal Government waive or be unable to enforce the conditions of the Federal license, the conditions may be enforced by the State. Complete and prompt development under the permit is required, and in other respects the public interest is protected.

By a companion Act of June 14, 1923, public service companies holding limited power permits are given the right to condemn and appropriate, but only with the approval of the Board, water and lands under water which right had been taken from water and water power companies in 1905. This act also permits flooding, relocating and reconstructing highways, bridges and railroads, under regulation.

The first large power development under the new law has recently been completed on Wallenpaupack Creek near Hawley, Wayne County. When considering this project, the Board realized that the public had certain interests other than the electrical power to be supplied by the Company and the permit which was issued provided for public fishing in the lake during the open season. This same fishing clause is contained in all permits issued for dams intended for water power or industrial use.

REORGANIZATION

Prior to June 15, 1923, control over the waters of the Commonwealth was exercised by the Water Supply Commission, except as to purity, which is a function of the Department of Health and the Sanitary Water Board. The Administrative Code reorganized the Water Supply Commission under the name of the Water and Power Resources Board and made it a departmental administrative body in this Department. The powers and duties of the Water Supply Commission were divided between the Water and Power Resources Board and the Department of Forests and Waters.

The Board acts upon all application for water and water power company charters, limited power and water supply permits and permits for dams and other water obstructions. The investigations and examinations incident to the projects passed upon by the Board are made by the Water Resources Service which is the departmental

agency to establish and maintain gauging stations, to forecast times and heights of floods, to collect and maintain a complete inventory of the water resources of the State and to bring together material needful in the formulation and application of a sound water conservation policy.

The personnel of the Board differs from that of the former Water Supply Commission in that there is one instead of three salaried members, four members being the Secretary of Forests and Waters, the Secretary of Health, the Chairman of the Public Service Commission, and the Commissioner of Fisheries. This has resulted in a saving to the Commonwealth, closer co-operation between the departments represented, and more rapid dispatch of public business. The work of the Board has been materially helped and expedited by closer relationship with the Department of Justice, a Deputy Attorney General having been designated to attend all Board meetings.

SUPERVISION OF DAMS

The construction and maintenance of all dams and other stream encroachments is under the supervision of this Department, so that there shall not be any failure of new or existing dams, such as caused the disasters at Johnstown and Austin. In furtherance of this work there have been issued, since January 1, 1923, by the Water and Power Resources Board, or its predecessor, the Water Supply Commission, 168 permits for the construction of new dams, 68 permits for repairs or alterations to the existing dams, 780 permits for bridges, and 354 permits for other encroachments. One thousand, one hundred and seventy-five field examinations and investigations have been made of existing dams, during the dam construction or in connection with applications for the construction of dams, bridges and other encroachments or complaints.

To provide safeguards against damage from floods, channel lines in the streams, beyond which no obstructions may be placed, have been established by the Board at Johnstown, New Castle, York and Manayunk. Studies are now under way in other places where the local situation is precarious and an agreement was entered into with the United States War Department governing the control and regulation of encroachments, in navigable water, where concurrent jurisdiction is exercised.

The city of Lock Haven has suffered severely from ice floods. In accordance with an Act passed by the Legislature of 1925, a survey has been made of Lock Haven, and plans and estimates have been prepared of the cost for works which will protect the city from damage in future floods.

TOPOGRAPHIC AND GEOLOGIC SURVEY

MAPPING OF THE STATE

A little more than 70 per cent of the State has been covered by topographic maps. Since January 1, 1923, the Topographic and Geological Survey has made topographic surveys of 21 quadrangles —an area of 4,701 square miles. Of these, engraved maps of four quadrangles have been issued. Preliminary photoliths of six quad-

rangles have been made available to engineers, and engraved topographic maps of 16 quadrangles, surveyed previously, have been issued. This work is conducted in co-operation with the United States Geological Survey. The need for such maps, now widely known and used, is increasing as the development of our industrial life and of our roads progresses. This important work undertaken by the State renders unnecessary duplication of effort and of expenditures in map making by independent private parties.

NEW MAPS

A marked advance in map preparation was made by the recently prepared base map of Pennsylvania which is being engraved on copper and is on a scale of six miles to the inch. This map was made to meet the needs of all State Departments for a base map of this scale. Such a need has existed for many years.

There has been prepared also a new geologic map which gives the results of recent surveys, many of which are unpublished and brings together all the detailed geology published since the State Geologic map was issued a third of a century ago. The new geologic map will be placed on the new base map of the State.

SPECIAL STUDY PROJECTS

Since January 1, 1923, the Survey has been engaged on 43 major study projects, 30 of which have been completed. Among the major projects are "Economic Geology Study of Coal"; "Lead and Zinc"; "Iron Ore"; "Building Stone"; "Oil and Gas Sands"; "Slate"; "Fire Clays"; "Limestone"; "Molding Sand" and "Underground Waters".

In cooperation with the United States Bureau of Mines and the Water Resources Service of this Department, a study is being made of the small sizes of anthracite coal, the extent, location and value of past deposits, the rate at which these deposits are being augmented, the effect of the deposits on the flow of streams and the possible recovery and use of such material.

Special attention has also been given to the deep oil and gas sands of Pennsylvania and adjoining states with the view of finding means of readily distinguishing these sands. In this work fine cooperation has been obtained from the oil and gas operators who are furnishing cuttings of their deep drillings. The results of this study will be of considerable value to the oil and gas industry.

Special mention should also be made of the cooperative study with the United States Geological Survey of the underground waters of Pennsylvania. This work, undertaken in 1925, is the first definite underground waters study made in Pennsylvania. It is proposed to continue it until the entire State has been covered so that the potentialities of our underground waters may be known.

EXPERT ADVICE

From their knowledge of the topography and geology of the State, the personnel of the Survey have been able to satisfy frequent inquiries from the public for information and advice. Assistance has also been rendered to the Departments of Health, Welfare, Banking

and other State departments, and institutions. Information has been given directly to the public through inquiry or by the issuance of papers and reports. The results of special studies of import have been reported in technical papers and popular journals.

The aim of the Survey is to have the public receive the full benefit of its investigations and reports so that there may be greater interest in and knowledge of the topography, the geological structure, the mineral resources and underground waters of the State.

DEPARTMENT OF LABOR AND INDUSTRY

Politics has been eliminated from this Department for the first time in its history. The state no longer plays politics with the lives and the health of its workingmen. The result has been that the Department has been able to render more effective service to the employers and workmen of Pennsylvania than was possible heretofore.

Industry now looks upon this Department as its friend and ally. As a result, accidents have been kept down to a minimum by the elimination of industrial hazards and employers everywhere seek the aid of the Department.

In the old days, the factory inspector was regarded as an adjunct to a political machine. Usually he was an untrained man who held his job by virtue of his ability to make himself valnable to his political boss. He knew little or nothing about his work.

Open bribery was practised and political blackjacking of employers before election was the common custom. When the few honest inspectors made worthwhile recommendations, they often found themselves over-ruled because the factory owner happened to have political influence at Harrisburg. Conditions constituted a public scandal.

All this has been changed. Only trained men are appointed to the inspection force and the entire system of inspection has undergone revision. The factory owner no longer bars his doors to the inspector but has come to realize that the present-day inspector is an expert in his line who often renders invaluable aid to the manufacturer by keeping down indnstrial accidents.

Similar improvements have been made in other branches of work in the Department. For the first time in the history of the state, a separate bureau has been established to look after women in industry. Child labor has been stamped out while real aid has been rendered to men and women who have been crippled in industrial accidents. The number of state employment offices have been more than doubled. All this has been accomplished by the following methods:

1. Elimination of politics. The laws of the Commonwealth have been enforced as enacted without favor to anyone. Incompetent political jobholders have been removed from the payroll. The men doing the work of the Department today hold their jobs on merit alone.

2. Professional standards. For the first time, it has been officially recognized that the guardianship of the safety of the workers and general public through factory and building inspection, as well as, other functions performed by this Department, require a high degree of technical knowledge.

3. Revision of antiquated codes and regulations governing industry. Twelve have been completely revised while nine new codes have been adopted with the cooperation of the industries involved.

4. Three new bureaus have been created to meet definite needs.

5. Reorganization within the Department to save waste, overlapping of functions and friction between bureaus.

6. Intelligent publicity. The Department is publishing frequent bulletins and reports that let the public, the employer and the worker know what the state of affairs is in a given industry, what the Department is trying to do and why.

ELIMINATION OF POLITICS

Prior to 1923, this Department was, in many respects, so corrupted with politics that its service to the public was far below any reasonable standard. Performance of its functions by totally incompetent persons often rendered the laws useless to the worker and an exasperation to the employer.

For instance, under orders from Department inspectors, the manufacturers of the State spent many thousands of dollars for the erection, tearing down and re-erection of worthless guards. The manufacturers, resented this and held in so little respect the Department responsible that they were tending to regard any interference from the State as a nuisance which it was fair to avoid by any means. Protests were numerous. Bribery and political pressure were often tried with success.

Today, the records of the Department show that complaints from manufacturers as to the impractibility of orders issued by Department inspectors have disappeared. The more intelligent manufacturer recognizes the value of the new type of inspector as a technical expert and he is welcomed in establishments where formerly every possible attempt was made to exclude inspectors, even to the point of trying political orders through Harrisburg.

Success in the operation of the Department of Labor and Industry depends upon its ability to win and hold the confidence of those whose daily life it touches. It is as outrageous to give untrained and inexperienced men supervision over industrial machinery, building construction and fire hazards as it would be to make the people tolerate in their personal hygiene the supervision of men with neither medical training nor experience. Yet this was formerly done.

This was glaringly true in the case of factory inspection. Today every incompetent inspector has been removed from this Department, and no new man has been appointed who had not the necessary educational foundation, generally in engineering, or a long experience in factory operation. Even higher standards are demanded of the supervising inspectors. For example, one man appointed to this position is a Yale graduate in engineering and has had 14 years experience as safety engineer for one of the largest railroads in the country. The highest qualifications are not too good for this service. It costs no more than subsidizing political favorites.

An inspector of the Department of Labor and Industry is only in the way of the employer and the employee unless he has technical knowledge pertaining to the laws and regulations under his jurisdiction. The Lighting Regulations of the Department are an excellent example of this fact. Not only must the inspector have the

ability to understand the use of technical terms, but he must have the ability to use the instruments necessary to measure the quantity of light furnished and to make proper recommendations for improvement. Such recommendations may be based on such a simple thought as washing the windows or the reflectors, but they may turn on such technical features as proper location of light source, change in the type of reflectors used over the light, or change in the intensity of the light itself.

This simple illustration of one of the hundreds of types of technical knowledge which an inspector must have clearly illustrates the necessity for the change in policy relating to inspectors which has been brought about.

TRAINING OF INSPECTORS

A number of new means have been instituted within the Bureau of Inspection to train inspectors. The position of headquarters inspector was created. This position was given to one of the oldest and most competent members of the inspection force, with a thorough knowledge of Pennsylvania industrial conditions. He is constantly circulating through the state, giving the inspectors training. He works particularly with the newer inspectors and those whose work shows the need of improvement.

Monthly meetings of the inspectors in each of the seven districts have been instituted during the past two years. At these meetings technical problems relating to inspection work are discussed and the benefit of instruction from the supervisor and technical men from Harrisburg headquarters is had. In addition to these meetings, frequent meetings of the supervising inspectors are held with the Director of the Bureau of Inspection, and the supervising inspectors then constantly circulate through their divisions with the inspectors under their charge.

Detailed standard practice instructions developed by the Bureau of Industrial Standards are being distributed to each inspector and these form a book of reference which heretofore has not been available to him.

REVISION OF REGULATIONS

Industrial regulations which met conditions a generation ago—or, sometimes, even ten years ago—do not meet modern conditions in industry. To give adequate protection to the worker and reasonable and useful supervision to the employer, it is necessary to revise a number of the codes and regulations in force. The following regulations underwent complete revision by the Bureau of Industrial Standards on this basis:

1. Boilers. 2. Elevators. 3. Textiles. 4. Railings, Toe Boards, Platforms and Runways. 5. Cranes. 6. Ladders. 7. Industrial Lighting. 8. Regulations Pertaining to Employment of Women. 9. Regulations Pertaining to Employment of Children. 10. Motion Picture Projection. 11. Woodworking. 12. Laundries.

Since its formation this bureau has also completed the preparation for public hearing and consideration of the Industrial Board regulations governing the following important items: 1. Window

Cleaning. 2. Industrial Home Work. 3. Emergency Lighting for Places of Public Assembly. 4. Mines (other than coal mines) 5. Pits and Quarries. 6. Canneries. 7. Labor Camps. 8. Safe Practices Recommendations. 9. Paper and Pulp Operations. Each of these regulations is highly technical in character and the development of them has necessitated much research and many conferences and committee meetings with representatives of the interests involved.

In view of the increasing use of paint and varnish spraying devices, and the interest in the effect on the health of the workers of the use of such devices, an elaborate technical investigation was instituted by the Bureau of Industrial Standards. This investigation was placed in charge of Dr. Henry F. Smythe, Assistant Professor of Industrial Hygiene in the University of Pennsylvania, and was carried on by him in collaboration with the Chief of the Section of Industrial Hygiene of the Bureau of Industrial Standards. This investigation is undoubtedly the most complete scientific investigation of any subject ever undertaken by a state department of Labor. Its results have amply justified the expenditures made in connection therewith. The report of the investigation now on the press is already in great demand not only in Pennsylvania, but throughout the country. Dr. Smythe's work has aroused such interest that he was commissioned by the National Safety Council to continue his investigation in other states and under conditions not found within Pennsylvania.

NEW BUREAUS

BUREAU OF INDUSTRIAL STANDARDS

The Bureau of Industrial Standards represents a consolidation of several lines of effort which had been previously carried on by a number of bureaus of the Department, and, prior to the passage of the Administrative Code in 1923, by the Industrial Board. It makes investigation of industrial conditions throughout the state other than those relating to the employment of women and children, or to industrial relations which are handled by separate bureaus. It is primarily a research bureau, and as such, through its professional staff, provides much of the information for the operation of the Inspection Bureau of the Department.

The organization of the Bureau of Industrial Standards has made possible the following new undertakings: A daily survey of accident reports received by the Bureau of Workmen's Compensation is made. Accidents which seem to merit special consideration are then sent to the Bureau of Inspection for immediate investigation. This investigation makes possible prompt correction of existing substandard conditions and it also lays the ground work for sound regulations or advice to prevent similar accidents in the future. Studies of particular types of accidents have developed correspondence with manufacturers of machinery which have led them to redesign their machines so as to eliminate hazard at the source. In the first eleven months of this year over 110,000 accident reports were reviewed by this bureau and more than 4,000 sent to inspectors of the Department for investigation.

The establishment of this bureau has made possible close correlation with the American Engineering Standards Committee in New York City. This national committee is engaged in the drafting of national safety codes. Representation of the Pennsylvania Bureau of Industrial Standards has been secured on practically all of the committees formulating national safety codes and proposed new codes are sent to public hearings in this State.

All safety devices on which approval is required by Department regulations are carefully investigated by the Bureau of Industrial Standards for report to the Industrial Board. In addition, the Bureau of Industrial Standards directly gives approval to certain types of devices of peculiar merit, but of a type which are not required to be approved by department regulations. Since January 1923 a total of 155 devices have been approved.

An Inspection Manual, explaining with illustrations the meaning of laws enforced by the Department and of each section of Department Regulations, is in process of development by the Bureau of Industrial Standards. A portion of this manual has already been distributed to each inspector of the Bureau of Inspection. This is the first time in this country that a carefully developed inspection manual has been attempted.

BUREAU OF STATISTICS

Since the establishment of the Bureau of Statistics, analysis of industrial accidents reported to the Department of Labor and Industry has been enlarged greatly.

Previous to the establishment of this bureau in June, 1923, the statistical work of the Department was limited to the preparation of a few simple tables of the number of accidents reported, amount of compensation awarded and minor reports in tabular form of industrial activities. Each bureau prepared information concerning its own individual activities and there was no satisfactory way to obtain complete statistical data concerning all phases of the Department's work.

Following the establishment of the Bureau of Statistics, that bureau was made a central agency for the tabulation and publication of statistical information relating to the whole Department. The scope of statistical work was extended and it now includes collections, wage rates, building construction activities in cities and boroughs and records of work accomplished by individual bureaus. These additions to the statistical work of the Department have been made with a net increase in the personnel of the bureau of but two clerks, the other persons being transferred from other bureaus within the Department.

An important feature of the work of the Bureau of Statistics has been its close cooperation with the Federal Reserve Bank of the Philadelphia district. Statistical data is collected jointly, with a consequent reduction in the number of questionnaires being circulated through the state. Joint reports of employment are now received from approximately 1,000 industrial establishments, representing 46 classes of industry. Collection of this class of employment data was begun February 1923 from about one-half of the number of firms that are now reporting. These reports represent

approximately thirty per cent of the persons engaged in the manufacturing and construction industries of the state and are fairly proportionate and accurate indices of industrial employment conditions.

Additional employment data is available through the weekly reports made to the Director of the Bureau of Employment by the State Employment Offices throughout the state and compiled by the Bureau of Statistics. This information is classified by industrial and city grouping and is assembled into comparative weekly and monthly reports.

Monthly summaries of building construction activities in cities and boroughs throughout the state are compiled and issued. These reports are received from building inspection offices, and the collection of them was begun in January, 1923. Twenty cities and twenty boroughs within the state are now reporting and there is a considerable demand for this information from financial institutions and government agencies.

Compilation of the rates of wages and hours of labor of union workers throughout the state was begun by the Bureau of Statistics in May 1924, when such information was gathered in sixteen Pennsylvania cities. By 1925 the number of cities had been increased to twenty-four and the rates collected in each city from approximately seventy organized crafts. When available, rates in unorganized crafts are also obtained and published. Portions of this information are consolidated by the United States Department of Labor in annual reports covering wage rates throughout the United States.

At the Industrial Safety Conference called by the Secretary of Labor at Washington in 1926 it was clearly demonstrated and formally resolved that state departments should elaborate their compensation statistics along the lines already adopted by Pennsylvania and certain other states.

BUREAU OF WOMEN AND CHILDREN

This bureau investigates conditions surrounding the employment of women and children within the state and acts as advisor to the Bureau of Inspection in the enforcement of the Child Labor Law and Women's Labor Law. The creation of such a bureau had long been advocated by interested persons within the Commonwealth, and it was made possible by the Administrative Code Adopted in 1923.

INDUSTRIAL HOME WORK

Several years ago it became apparent that the Industrial Home Work problem in Pennsylvania was becoming acute. Certain employers were distributing goods to be manufactured within the homes of the workers, and such manufacturing operations were being carried on in entire disregard of the women's Labor Law and the Child Labor Law. The Bureau of Women and Children, besides developing a licensing system for such work, has secured unusual cooperation from employers who give out Industrial Home Work in eliminating the evils which are attendant to this work at the same time that the beneficial phases are retained.

Research Work

The following important research work has been completed by this bureau since its organization and either has been published or is in the press.

1. Who are the working Women in Pennsylvania?
2. The Canning Industry in Pennsylvania. As a result of this survey the regulations governing canneries and labor camps were revised, and a special inspection during the season of 1926, showed a most desirable change in conditions.
3. The Personnel Policies of Pennsylvania Department Stores.
4. Opportunities and Condition of Work for Minors in the Glass Industry.
5. An analysis of compensated accidents to minors for the year 1924.
6. Industrial Home Work and Child Labor.

A state-wide conference on the work of women in industry was held by the Department under the auspices of the Bureau of women and Children December 8 and 9, 1925. Employers of women were especially well represented. Labor groups sent delegates, and members of other organizations and of women's clubs, interested in industrial subjects, were present and participated in the discussion. The minutes of this two-day conference were printed in a Special Bulletin published by the Department.

REORGANIZATION WITHIN THE DEPARTMENT

SPECIAL ATTENTION TO STATE AGENCIES

A disgraceful condition had existed for years in regard to conditions in State-owned buildings, equipment and institutions in that they fell far short of the standards demanded of private employers. One reason why this extreme negligence was possible was that the Department of Labor and Industry has no power in the matter beyond that of investigation and the report of conditions to the head of the Department in charge. Under this administration, the Secretary of Labor and Industry appointed one man whose single and specific duty is to see that in State-owned buildings, equipment and institutions, all matters over which this department has any jurisdiction are brought up to standard. This policy being vigorously backed by the administration has been most effective.

INDUSTRIAL BOARD

Through the operation of the Administrative Code the Industrial Board was made an advisory rather than an administrative body within the Department of Labor and Industry. This sound change gives the members of the Board all the authority which they had previously in connection with the promulgation of rules and regulations by the Department. At the same time it relieves them of administrative responsibility which they should never have had, in view of their part time service, usually one day per month, and in view of the conflict which such administrative responsibility had caused between members of the board and bureaus of the Department. At the present time no regulation can be passed by the Department and have the force of a law unless it shall have had the previous approval of the Industrial Board.

BUREAU OF INSPECTION

The Bureau of Inspection has been entirely reorganized on a professional basis. This bureau administers the laws and department regulations relating to the safety and health of workers in manufacturing and mercantile establishments within the state, and regarding inspection of places of public assembly multiple dwellings and other similar buildings. Although the Bureau of Inspection is largely a law-enforcing agency, the type of laws which it enforces are such that effective enforcement demands whole-hearted cooperation of the citizens of the State if the aims of the laws and regulations are to be achieved.

The size of the task before the Bureau of Inspection is so large that it can never expect to have sufficient inspectors to police the state in connection with the laws which it enforces. Therefore, during the past four years the idea of treating the Bureau of Inspection as a police agency has been wholly abandoned and in its place has been substituted the concept that this bureau is a group of professional specialists at the service of the people of the State. Of course, the police authority has not been abandoned, and in the special cases where no cooperation can be secured it is used to the full extent provided by the law.

Emphasis is now placed on thoroughness of individual inspection rather than number of inspections made by inspectors. Each inspector is held personally accountable for the condition of establishments within this district. Check inspections are made of establishments recently visited by individual inspectors and if proper orders have not been issued to bring all conditions up to standard the inspector is held directly to account. All complaints concerning illegal conditions which are received are held strictly confidential. Investigation is made of all signed complaints within seventy-two hours and anonymous complaints are investigated the next time that inspector is in that territory. This is a radical departure from conditions prior to 1923, when workers hesitated to lodge complaints with the Department of Labor and Industry, because of fear that the source of the complaint would become known, and because frequently but little attention was paid to the complaint received.

Special drives have been made to supplement the routine inspection work. These not only concentrate the resources of the department on a condition growing dangerous to the welfare of the people but they bring it to the attention of the public and thus double the effectiveness of the department's work. Among such drives are the ones to check accidents in the construction industry, to bring buildings up to the standards of the Fire and Panic Act and another to secure shuttle guards on all looms.

The following new sections reorganized in this Bureau have done work of incalculable value in safeguarding the lives and health of those affected by their work:

1. Building section
2. Boiler section
3. Elevator section
4. Bedding and upholstery section.
5. Mine and quarry section.

BUREAU OF EMPLOYMENT

In January 1923 there were 7 free public employment offices operated by the State in 7 cities of Pennsylvania. On December 1, 1926, there were 15 state employment offices in 14 cities of Pennsylvania.

Five of the offices now in operation are in cooperation with the Young Men's Christian Association of the cities in which they are located. Such associations furnish office space, heat, light and janitor service and pay a portion of the salaries of superintendents of the offices. The state pays the remainder of the salaries and all other operating expenses. The first of these cooperative offices was opened in Williamsport of January 1, 1924. This office proved so successful that it was followed by offices in Lancaster, DuBois, Oil City, New Castle and McKeesport. The cooperative state employment office has definitely proved to be the means of extending state employment service, at a small expense, into a larger number of communities in the state.

The experience of the Bureau of Employment since 1920 and careful investigation during several months prior to March, 1925 indicated that applicants who during unemployment are frequently most helpless, and who need employment service to the greatest extent are the higher types of workers, especially technical experts and professional workers. Consequently, in March, 1925 a special program or drive was undertaken to increase and improve, wherever possible, the employment service for clerical workers, salesmen and saleswomen, specialists, technical experts, professional workers and executives.

BUREAU OF REHABILITATION

From January, 1923 to December 1, 1926 inclusive, the bureau aided 1,812 disabled persons to enter suitable tasks of employment after being disabled. This compares with 1,014 persons during the three years of the bureau's existence prior to January 1923. Of this number, the bureau aided 315 financially in providing artificial appliance, such as arms, legs, hands, feet or braces. Such appliances were provided in cases where they were necessary to restore the earning power of the individual and he was unable to purchase them for himself. One hundred and seventy-seven disabled persons were aided financially through programs of training in educational institutions, trade schools and many practical lines of work.

Although this program has been in operation only since March, 1925, it has been successful in its efforts. Placements of male and female applicants of higher types have increased approximately ten per cent.

During the last half of 1925 the Bureau of Employment made a survey of industrial employment of negroes in Pennsylvania for the purpose of determining the present status of industrial employment of negroes and for the purpose of assisting the state employment office in the more intelligent placement of the negro worker in the state. The report of this survey received nation-wide attention.

The average annual wage rate at which disabled persons have been returned to employment by the bureau is slightly in excess of $1200.00. The aggregate annual earnings for full-time employment of the 1,812 disabled persons returned to work would consequent-

ly approximate $2,174,400.00. The cost of operating the bureau is approximately $70,000.00 a year for all purposes.

BUREAU OF INDUSTRIAL RELATIONS

The Bureau of Industrial Relations is the successor of the Bureau of Mediation. The title of this bureau was changed in 1923 to indicate that its task is not only to mediate industrial disputes after they have arisen, but to endeavor to prevent such disputes. It was not until May 1925 that this bureau was put on an altogether satisfactory basis, but in the period of over a year that it has now been operating it has made itself felt most effectively throughout the state.

During the year under the present director the services of the bureau have been furnished on almost 100 strikes and controversies. Numerous trades and occupations were affected. These included building trades, textiles, metals, clothing, clay and glass, chemicals public service and miscellaneous industries. In the public service group was included a threatened strike of 48 grave diggers. The bureau has had an active part in the settlement of each one of these. Many of these strikes involved several hundred employers.

This bureau has very effectively gained the cooperation of both employers and employees in its work. However, its efforts have been crowned with particular success in securing the cooperation and confidence of labor organizations throughout Pennsylvania. These organizations have not always felt previously that the Department of Labor and Industry was conducted in an impartial manner. It is through their contacts with the present director and mediators of the Bureau of Industrial Relations that they have come to have confidence not only in the fairness and impartiality of that bureau, but of the Department as a whole.

WORKMEN'S COMPENSATION BOARD

This is a semi-juricial body whose main task is to interpret the compensation law and to hear disputed cases. The number of cases coming before it has increased to an annual average of 667 as compared to an average of 477 in the previous administration.

WORKMEN'S COMPÉNSATION BUREAU

The Service rendered by this bureau during the past four years has been outstanding. More than 12,000 agreements for compensation in disputed cases between injured employes and their employers have been negotiated without unnecessary delay or appeal to the board. Approximately 2,500 employers who had failed to insure, were compelled to take out insurance for their workmen.

An active campaign to have employers report accidents promptly and with full particular has borne fruit. As a result, a higher percentage of the accidents that occur are being reported and the safety campaign that is dependent upon the receipt of these accident reports is being prosecuted with more result and intelligent planning than was ever possible before. These accident reports enable the department to check up on the causes of accidents and thus make recommendations for the safeguarding of machinery.

In addition to its other duties, the bureau during these four years has exercised supervision of compensation cases involving 1854 state employes.

STATE WORKMEN'S INSURANCE FUND

The State Workmen's Insurance Fund has grown steadily during these four years and has won the confidence of the employers of the state. From January, 1923 to May 31, 1926, the number of policyholders in the fund increased from 22,800 to 28,500. Policies have been issued to all classes of employers of labor, ranging from the man who employs one person to the head of a plant employing 8,000 persons.

The premium income derived from policyholders during the first three and a half years of this administration amounted to $9,346,840. During that time, dividends totalling $970,742 were returned to the policy holders.

During the same period, 104,394 accidents were reported to the fund by the policyholders. The total cost of these accidents to the fund was $6,613,092. That sum represents only the actual benefits paid for compensation, medical services and hospital bills.

PUBLICITY

The effectiveness of a Department such as the Department of Labor and Industry is largely dependent on the publicity given to its operations and researches. Prior to this administration the Department of Labor and Industry had but few publications. These consisted principally of regulations adopted by the Department affecting certain industries or types of operations, and decisions of the Workmen's Compensation Board and courts of Pennsylvania on the Workmen's Compensation law. Another publication was its monthly bulletin, "Labor and Industry" which was not always published regularly.

"Labor and Industry" is now published regularly every month and has been since November 1923. It has been enlarged and its character changed. It now is a high-class monthly magazine devoted to the operations of the Department, with contributions in every issue by persons throughout the State of Pennsylvania on subjects allied to the Department's work. It also gives monthly statistical analysis of conditions in the state prepared by the Bureau of Statistics. It has a circulation of over 20,000 per month.

A series of special bulletins has been begun and eighteen special bulletins have either been issued or are in the press. There are published in these the results of the departmental research activities and the compilation of materials of interest in connection with departmental operations.

In addition the decisions of the Workmen's Compensation Board and courts on the Pennsylvania compensation law have continued to be printed in publications.

Regulations of the Department continue to be printed as adopted and where desirable are now illustrated to more clearly indicate their provisions.

UNIVERSITY OF VIRGINIA GENERAL LIBRARY 1819

THE DEPARTMENT OF HEALTH

Four years' intensive work on the part of the State Health Department has brought a reduction of the death rate, a reduction in infant mortality, the typhoid, tuberculosis, and diphtheria death rates and has generally resulted in making Pennsylvania a healthier place in which to live. Preventive medicine has made great strides forward during this administration and has found a real place in the program of the Department. This has been especially true of the children. During the course of the school medical inspection, examining physicians annually found that approximately 697,000 children had physical defects that were remediable. Of that number each year more than 40 per cent or 280,000 have already had their defects remedied or are undergoing treatment that will eventually restore them to good health.

Complete supervision of medical school inspection has been achieved for the first time in second and third class school districts. In the fourth class or rural schools, more intensive medical inspection has been accomplished with better follow-up of children with defects, the State Health nurses having made over 100,000 more visits to homes in the rural sections than during the preceding four years.

The safeguarding of water supplies, the protection of streams from pollution and the elimination of dangerous sewage systems has been carried forth with a vigor that promises even more striking results in the future.

Infant mortality has decreased from 88 per 1000 births in 1922 to 81 per 1000 births in 1925. The death from diphtheria has been steadily reduced until it is less than 50 per cent of the 1921 rate. The typhoid fever death rates has likewise been forced down despite our share in the unusual epidemic throughout the United States in 1925. Tuberculosis mortality has decreased 13 per cent since 1922.

These are a few instances where the expanded activities of the Department—their educational campaigns in personal hygiene, increased watchfulness over sanitation and direct services to the public—have produced striking results.

NEW ACTIVITIES IN CHILD PROTECTION

A campaign has been conducted to reduce infant mortality in those communities having a death rate in excess of the State average. This together with the work of our doctors and nurses in the 400 Well Baby and Pre-natal Centers now functioning in the State, resulted in a substantial reduction of infant mortality.

The Department has concentrated not only upon the infant, but has included the child of pre-school age and the school child. Seventy-five Nutrition Classes have been organized in our clinics and in the schools. About 270,000 pamphlets on the prevention of malnutrition, including weight charts, have been distributed. These were supplemented by personal instruction from the field workers

of the Department of Health in health centers and homes. Hundreds of undernourished children have thus been restored to health.

For the prevention of blindness or infection in the eyes at birth, a ruling of the Advisory Health Board passed on April 13, 1926, makes it the duty of physicians and mid-wives attending women in confinement to instill in each eye of the newborn child, as soon as practicable after birth, a 1 per cent solution of silver nitrate or other approved agent of like character. Since that time the Department has supplied to physicians and midwives of the State through its 730 antitoxin distributing stations, a solution of silver nitrate in wax ampules with directions for use.

Eight hundred children from homes in which they had been exposed to active tuberculosis have been given the sun treatment of heliotherapy at the Mont Alto and Cresson State Sanatoria.

During the summer months of 1925 and 1926, a motor truck known as the "Pennsylvania Health Car," equipped as a Health Center and accompanied by a staff of physicians, nurses, and dental hygienists, has visited our rural counties. More than 8,500 babies and pre-school children were examined, weighed, measured and referred to their family physician for the correction of defects.

In 1924 the Department established the custom of mailing a birth certificate to the parents of each new born baby in Pennsylvania, an average of 220,000 each year.

A campaign to eliminate diphtheria from Pennsylvania is progressing rapidly. During the last four years more than 450,000 children have been immunized, outside the cities of Philadelphia and Pittsburgh where active local campaigns have been carried on. The death rate from diphtheria has been reduced more than 50 per cent,—the number of cases 50 per cent. In 1925, no deaths from diphtheria were reported from 25 municipalities of over 10,000 population. Toxin-antitoxin for this work is now furnished free of charge for all children of all ages by the Department. Much credit for the success of the campaign is due to the generous cooperation of the physicians of Pennsylvania.

School Medical Inspection has made great progress in thoroughness, extent and standards. During the last four years, 1,052,000 school children have been examined annually. An annual average of 697,000 were found with remediable defects. Forty per cent of these childern had their defects treated or corrected. Improved sanitary conditions were secured through this inspection work in more than 4,000 school buildings in the fourth-class districts.

The importance of dental hygiene among school children has been urged until, Pennsylvania now has more public dental activities than any other state in the union. In January 1923 there were but 12 dental hygienists working in the State. Today there are 140 dental hygienists working in the health centers and public schools of Pennsylvania.

In the coal regions of the State instruction classes for licensed midwives were organized and the work of these women supervised by especially qualified, foreign speaking woman physicians. The newborn babies are visited by the State nurses.

FIELD OFFICES AND LABORATORIES

In order to better serve the public, the Department since 1924 has established engineering field offices in Meadville, Philadelphia, Pittsburgh, Williamsport, and Wilkes-Barre. The counties thus served comprise 43, the remaining 24 counties being in two districts with headquarters in Harrisburg. These field offices are under the direction of the district engineer and his assistant, fully qualified to discuss sanitary engineering problems with the people of the district, instead of making it necessary for them to appeal to Harrisburg. Involved in this work are the development of pure and wholesome water supplies, public sewerage, proper control of stream pollution, abatement of nuisances, and housing conditions.

In 1924 a motorized field laboratory was sent forth over the State to test the drinking water used by the millions of motorists who annually traverse our highway system. Not only is the water tested, but steps are taken to correct insanitary conditions found in and about roadside lunch stands. If the tests are satisfactory, a certificate of approval is issued to the owner and a placard posted over the well, spring, or on the lunch stand.

Two field laboratories were operated in 1925 and the service extended to include the examination of water supplies in rural communities off the highways and the investigation of sources of typhoid fever. In these three years the laboratories have traversed 7,200 miles of State highways, made 4,363 examinations of private water supplies, placed 1,843 placards indicating safe supplies, and to their successful investigations in the field of epidemiology can be credited the prevention of typhoid epidemics.

MILK PROTECTION

An intensive milk campaign was inaugurated. The Advisory Health Board on April 4, 1923, approved the first regulation in Pennsylvania dealing with safety in the protection and handling of milk in its relation to public health. A Model Milk Ordinance was prepared and has been adopted by 100 municipalities. Other municipalities have adopted their own milk ordinances. At the present time ordinances are in effect in 150 municipalities, exclusive of Philadelphia and Pittsburgh, thereby affording protection and a safe milk supply to 2,000,000 persons.

In this connection two motorized milk laboratories, equipped to make chemical and bacteriological tests of milk supplies and in charge of specially trained inspectors, are traveling throughout the State. A total of 25,872 chemical and bacteriological tests have been made. The public has been educated to the necessity of using pure, safe milk.

A metropolitan district for milk control has just been established through the cooperation of several municipalities in Luzerne County with the State Department of Health, assisted by funds privately contributed.

The Pennsylvania Association of Dairy and Milk Inspection, representing 75 local boards of health, was organized. Annual meetings are held each January and reports of the proceedings are printed and widely distributed.

LOCAL HEALTH WORK ENCOURAGED

The Department secured the passage of an Act, permitting County Commissioners to appropriate money for public health purposes. Under this law there have been placed four full time County Medical Directors and one full time District Medical Director. Another Act was approved providing for the organization of County Public Health Associations. Under this law the Pennsylvania Public Health Association was formed. In turn, 29 County Public Health Associations have been organized by the Department to stimulate greater interest in local health problems and develop a closer co-operation of local Boards of Health with the Department.

HOSPITAL FOR CRIPPLED CHILDREN

With the Administration's approval, an appropriation of $250,000 was obtained from the legislature for the first unit of a Hospital for Crippled Children. The contract has been awarded for a 70 bed unit to be built on an attractive site near Elizabethtown, Lancaster County.

INFORMATION AND EDUCATION

A special effort has been made to improve the work of Township Health Officers, by giving the full time men a course of training at the United States Field Service School at Carlisle and by placing 36 districts in charge of public health nurses, thus reducing by 417 the number of part time health officers.

The monthly journal of the Department—The Listening Post—has been developed from a thirteen page pamphlet with a circulation of 3,000 to a thirty page illustrated magazine with a circulation of 25,000.

The Bureau of Vital Statistics inaugurated the publishing of a monthly journal dealing with statistical subjects, which has a circulation of 1,000.

TUBERCULOSIS SANATORIA

In spite of the decreased death rate from tuberculosis it must still be classed as the leading cause of the loss of life among the younger adults, of dependency and of economic loss to the State.

The tuberculosis sanatoria in charge of the Health Department are doing outstanding work in the treatment of this disease. Their reputation is such that, in spite of the fact that the disease is being checked as shown by the decrease in the death rate, there has been a steadily increasing demand for admission. During the past two years, there was a waiting list of from 600 to 900 at these institutions.

The greatest development in the treatment of patients has been in the more extensive and better regulated use of the sun's rays. Although heliotheraphy has been used at Cresson since 1919, its use had been largely confined to children. Previous to 1923 most of the advocates of this treatment had taught that it was neither useful nor safe in adult pulmonary tuberculosis. The extensive work done in our sanatoria during the past four years (over 20,000 sun treatments having been given adult patients at Mont Alto alone) has disproved this theory. In 1924 the three institutions were

equipped with ultra violet ray lamps to be used as a substitute for the sun's rays during the cloudy winter season.

In 1925 at both Mont Alto and Cresson summer camps were established for under-nourished children. Six weeks' care was given to 400 children in these two camps. At the end of the six weeks those found to need further treatment were admitted to the regular children's department of the institution and retained for prolonged treatment. These camps accomplished so much good that they were reopened in 1926.

All buildings and Sanatoria equipment have been properly maintained. Changes in coal burning and ash handling equipment at Hamburg alone have made an average saving of more than $1000 a month.

GROWTH OF CHILD HEALTH CENTERS

The growth of the Child Health Centers, which exist for the complete physical examination of infants and young children and the instruction of their mothers in child care, is shown by the following:

In 1923 the attendance was 30,000. In 1925 it was 67,084, and in the first eight months of 1926, 79,899.

Increased emphasis has been placed on the necessity for reducing the maternal mortality rate by extending prenatal care. The number of expectant mothers receiving this care prior to 1923 was almost negligible. At present the State nurses are equipped for home visiting in this service and in 1925 paid approximately 7,000 calls on expectant mothers.

In the summer of 1925 a motor health unit carried to the four counties, Bedford, Somerset, Potter and Tioga, a service for the complete physical examination of infants and pre-school children. The staff examined 4,361 children; 2,241 children had their teeth cleaned; 12,876 dental cavities were found in 1,717 children. In 1926 a similar unit toured Fulton, Venango, Centre and Bradford counties and examined 4,250 children; 2,818 dental cleanings were done. The aim of this work is merely to reveal defects which should be taken care of by the family physician. The service is in no sense for medical advice or treatment.

An innovation occurred in 1923 and 1924 in the holding of the first physiccian's conferences for outlining and demonstrating modern methods of conducting Child Health Centers and 187 doctors attended the first year, with 250 present in 1924.

In 1926 another innovation was made when the first inter-county midwife meetings were held in the two coal regions of the State.

School Inspection

The School Section has full control of medical school inspection in the Fourth Class School Districts and supervision of sanitary conditions of public school buildings and the enforcement of the vaccination law.

Vast improvement has been accomplished in the matter of sanitation and increased light area in buildings.

In the past three years, complete supervision of medical school inspection in the 18 second class and the 220 third class school districts has been achieved. This includes appointment of all In-

spectors by local school boards, approval of appointments by the Secretary of Health, standardization of medical inspection and standardization of contracts with school physicians.

The vaccination law has been better enforced than ever before. This is not only in public schools. Inspection of children for evidence of successful vaccination in all parochial and private schools has been established, requiring inspection of the pupils in approximately 2,000 rooms.

Conferences have been held yearly for four years with all medical School Inspectors, and instruction given from the central office for standardization of physical examinations and reports. Follow-up of physical defects, with the aim of correcting them, has been organized and is being carried on by a full staff of State nurses assisted by supplementary agencies.

SANITARY WATER BOARD

This Board was organized under the Administrative Code in 1923. Its duty is to look after the sanitary conservation and prudent utilization of the water resources of Pennsylvania.. Previously statutes for this purpose had been administered by different departments with no unified policy. Confusion and ineffectiveness resulted.

The Board has under way a survey of streams in 15 counties. So far it has designated 4,665 miles of streams in 7 counties as "Class A"—that is, unpolluted and to be kept so. Eighty-nine miles of these streams were so classified because the Board secured abatement of first sources of pollution. Wallenpaupack Lake in Wayne and Pike Counties, the largest lake in Pennsylvania, has been designated as "Class A" because of its present cleanliness.

The Board's chief objective is to maintain the present suitable sources of public water supplies in pure and wholesome condition, to secure the abatement of sewage pollutions which menace such sources and to provide adequate supplies for the future.

The Board has approved comprehensive sewerage plans for 57 municipalities with an aggregate population of 521,000, and approved plans of 35 treatment works for the sewage of an aggregate population of 310,000.

The outstanding sewage treatment project has been on the watershed of the Beaver River. In 1922 there were only 5 sewage treatment works for 25 towns. Six water works used the stream below points of discharge. On this watershed today there are 12 sewage treatment works in operation, and 3 will be completed next spring. Plans are approved and funds available for 4 more which should be in operation in 1927.

The Board has inaugurated a new and very successful method of solving the vexatious problem of industrial waste disposal—namely, by cooperation with industry in groups.

The first instance was with the leather tanning companies of the State. These accepted a cooperative agreement with the Board and are providing a fund of $35,000 to be expended in scientific research, including the construction and operation of a full scale tannery waste treatment works at Instanter, Pennsylvania. Studies are being made

of the Clarion River below the plant to determine the assimilating power of the stream for tannery waste treated to various degrees and present indications point to the application of a practical method to clarify tannery wastes.

Similar projects have been undertaken with the pulp and paper manufactures and laundry operators. Negotiations are under way with other industries the waste of which affects the purity of streams.

Pennsylvania inaugurated a movement which led to the creation of a National Committee to study pulp and paper mill waste disposal and the State has three representatives on the Committee.

The Chemical Engineer of the Department discovered a practical method of successfully treating laundry wastes.

Interstate Stream Conservation Agreements have been made between this Department and the Department of Health of New Jersey, New York, Ohio, West Virginia and Kentucky.

Since 1924 intensive sanitary surveys have been carried on during the summer months by the full time health officers, and 100,000 inspections have been made. More than 80 county fair grounds have been under the supervision of our Engineering Bureau relative to pure water supplies, disposal of sewage and garbage and other refuse. This protects the 2,000,000 people who attend these fairs annually.

The administration of anti-stream pollution laws by the Sanitary Water Board has proved to be a great improvement over the separate discharge of duties imposed by statutes on different departments prior to the Administrative Code.

STATE NURSES

The State Nurses have given splendid cooperation to the other bureaus of the department, rendering invaluable service in the diphtheria campaign, the child health work, the tuberculosis dispensaries and similar undertakings.

A much larger program of activities and an aggregate number of home visits which exceeded by more than 100,000 the total of the previous four years have been achieved by a staff only slightly increased—138 as compared to 130.

LABORATORIES

Despite a reduction in the funds of this Bureau, the routine work in the laboratories has shown an increase, more work being done in the last four years than in any other four years of the bureau's history. The total number of specimens examined in the laboratory from January 1, 1923 to August 1, 1926 was 356, 147.

The standardization of antiseptics used by the Department has been effected since 1923. Studies in the diphtheria toxin anti-toxin mixtures and their use were made. The efficiency of tincture of iodine as a disinfectant for drinking water was proven.

During 1923, five students from the vocational training school and three from other sources were instructed in laboratory technique.

To supplement the effective work done in typhoid investigation by the field laboratories, a special research technician was appointed in June, 1926, to further the study of typhoid diagnosis and control.

The first cooperative State laboratory was also established during this year at Franklin. This laboratory will supplement the work of the main laboratory in Philadelphia in certain phases of work where the time consumed in transportation is an important factor.

Under the present administration the Health Department has operated with but one end in view—namely the health and welfare of the citizens of Pennsylvania. Efficiency and results have been its aims. Its affairs have, therefore, been conducted without regard to favoritism or factionalism.

THE DEPARTMENT OF HIGHWAYS

During the past four years, the Department of Highways has built more miles of good roads than were ever constructed by any state in the Union during a similar period, or during the entire previous history of the State Highway System; has maintained new and old roads better than ever before; has encouraged building of county and township roads by contributing more state-aid money than during the last four administrations; has eliminated vexatious delays in the issuance of motor licenses and generally has contributed to the safety and convenience of the traveling public far more effectively than ever before.

Moreover, this department has supervised the expenditure of more than a quarter billion dollars without a single breath of scandal. That too, is a record unsurpassed by any American Commonwealth.

The department has been developed into the biggest highway organization in this country, in fact, in the world. Following the policy of the Pinchot administration it has eliminated politics from the organization and is being run on a business basis. Political pull as qualification for a job has been replaced by competency to fill the job.

Likewise new roads are no longer a medium of exchange in trades among politicians. Where a new road shall be built is determined by actual count of the traffic using the road—and the type of road is determined by the character and amount of the traffic and an estimate of future needs.

During the years 1923 to 1926 inclusive, this Department supervised the expenditure of more than $250,000,000 on roadwork. In addition, the department placed under contract or authorized the performance by department forces of roadwork costing about $20,000,000, funds for which were provided by this administration, and which would have been completed if the weather conditions had not been so unfavorable in the year 1926.

Of the total expenditures of $250,000,000, $210,000,000 covered work performed by contract or by the Department's own forces under the direct supervision of the department, while the $40,000,000 represents expenditures by the second-class townships under the general supervision of the Department. Of the grand total of $250,000,000 expended, $190,000,000 was spent on the state and state-aid highway systems. This is over $75,000,000 above the roadwork expenditures of any previous administration.

During the four years the department supervised the construction of 4500 miles of major road work; including 2700 miles of new pavement, 250 miles of replacement, 1400 miles resurfacing worn out stone roads, and about 150 miles of grading and drainage for which funds have been set aside for paving. In addition about 400 miles have been placed under contract for paving and about 50 miles for grading and drainage, most of which would have been completed had it not been for the exceptionally rainy season in 1926. This is not only the greatest mileage built in this state, but it is the greatest

amount of road work ever performed in a similar period by any highway organization.

At the end of this administration, Pennsylvania has three miles of improved road for every mile of unimproved road on the state and state-aid highway systems, without regard to the new state highways added in 1926. At the beginning of this administration there was only one mile of hard-surfaced road to every mile of earth road on the state and state-aid highway systems.

During 1925 alone, 1144 miles of major road work were completed, including 890 miles of new hard surfaced roads, 46 miles of replacing worn-out stone roads with durable type and 208 miles resurfacing bituminous surface treated macadam roads. Over 800 miles comprised durable type pavements. The combined paving program eclipses any such amount of work ever completed in one year by Pennsylvania, or any other state. It is not only a record for Pennsylvania, but a national record as well.

By effecting economies, increased mileage in road-building has been attained. By changes in pavement design on about 2400 miles of road completed or under way, an average of $5,000 per mile or a total of $12,000,000 has been saved, in addition to giving a pavement with greater strength and durability than that of the old design. This was made possible by experimental work and study of the effect of loads upon pavement of various thicknesses, as well as the knowledge gained through the transport survey of the volume and character of the present traffic and probable future traffic on various roads.

COMPLETION OF PRIMARY STATE HIGHWAY SYSTEM

The primary state highway system consists of 3,960 miles of the 12,000 miles of highways on the state highway and state-aid highway systems, and is composed of the main highways connecting county seats and large centers of population. It has been the aim of the Commonwealth for several years to complete the paving of the primary highway system and this administration made this one of its most important policies. Forty million dollars from the second $50,000,000 bond issue that became available during this administration was set aside for the completion of the paving of the primary system. This has been practically accomplished. These highways are all paved or under construction either for paving or grading, except a number of short sections, totalling about 12 miles, that are dependent upon completion of county bridges or are the subject of negotiations with railroads, street railways, etc., relative to grade crossings, right-of-way or other complications. About 1020 miles of pavement on the primary system were completed during this administration and about 70 miles are nearly completed and about 40 are under contract for grading.

SECONDARY HIGHWAY SYSTEM

During this administration over 1,200 miles of unimproved highways on the secondary state highway system have been paved or are under construction. This work has been financed to a large extent from the $10,000,000 portion of the second highway bond issue which

was apportioned by the Department to the counties to be used in a similar manner to state-aid appropriations, the state contributing 50 per cent and the counties 50 per cent of the cost of construction. Such construction was referred to as "bond-aid," which accounted for about 450 miles of the 1,200 and more miles of secondary state highway construction. In addition to the bond-aid construction, the counties also paid for the paving of about 240 miles of secondary state highway construction, while 210 miles of secondary system construction were financed through the regular state-aid appropriation, and about 300 miles were constructed or authorized by Department forces and financed from the motor fund.

STATE-AID CONSTRUCTION

The assistance given county authorities by the State in road construction during this administration more than equals the total of funds available for this purpose during the three preceding administrations.

The appropriation of $5,000,000 from the motor license receipts made in 1925 for state-aid construction for the biennium 1925-1927 is the largest ever made available for a two-year period. In addition, this administration has paid to the counties approximately $6,700,000 of state-aid appropriations made by the Legislatures of 1917, 1919, and 1921 but allowed by preceding administrations to remain unpaid. Altogether the State gave a total of $11,700,000, to be spent for state-aid construction during the years 1923 to 1926 inclusive, to which the counties added an equal amount making the total available for this purpose, $23,400,000.

Therefore, during this administration 460 miles of state-aid construction have been completed, or put under contract. Of this total, 240 miles are on the state highway system and 220 miles off the state highway system. This is 250 miles more than were paved and put under contract in any previous administration. During the years 1923-1926, 350 miles were completed.

COUNTY 100 PER CENT WORK

Nearly all of the counties have spent some money towards the improvement of state and state-aid highways during this administration. A few of the counties have been more active in expending money for road construction, and an additional amount of $20,000,000 is involved in what is commonly referred to as county 100 per cent work, involving 445 miles of road construction, of which 265 miles are on the state highway system and 180 miles are off the highway system. Of this total of 445 miles, 420 miles were completed during this administration, while the remaining 25 miles are under way and will be completed in 1927. This is over 200 miles more than was done in the preceding administration. Altogether the counties have been responsible for a total exceeding $40,000,000 in the program of work of the Department under this administration, comprising an amount of nearly $10,000,00 to match the bond-aid, $11,700,000 to match the state-aid, and over $20,000,000 to finance the county 100 per cent work.

This is about double the county expenditures in the previous administration.

COOPERATION WITH THE COUNTIES EXCELLENT

This cooperation between the Department and the counties with respect to the expenditures by the counties on road construction work has been excellent. The law provides that the Department shall approve the expenditures by the counties either from bond receipts or current revenues on all roads except strictly "county roads", the latter being a road which the county court on petition has designated as a road entirely under the supervision of the county. Only a very few counties have had local roads designated as "county roads". The majority of the counties spend money on local roads by assisting the townships and boroughs in the cost of construction and, in some cases, paying the entire cost of construction. The Department under the provisions of the law, is required to approve the plans for such expenditures. In the vast majority of the cases, the Department performs the engineering work for the county, making the surveys and the plans, and advertising and recommending the award of the contract, after which the Department inspects the performance of the work.

INCREASE IN STATE REWARD TO TOWNSHIPS

The appropriation of $3,000,000 from the motor license receipts made in 1925 for township reward work for the biennium 1925-1927 was the largest ever made available for a two-year period. To this the administration added about $1,300,000 of old township reward appropriations which had never been paid although the appropriations were provided for by Legislatures of 1917, 1919 and 1921. The administration thus provided a total of over $4,300,000 for township reward work. This assistance to the townships was more than equal to the money which was spent during the two previous administrations for the old cash tax bonus and for towship reward. The increase in the township reward has greatly assisted and encouraged the townships in making road improvements to the advantage of those people who live in the remotest parts of the second-class townships.

MAINTENANCE OF EXISTING ROADS

While the construction work of the Department is basically most important, it is not the major activity. The Highway Department is the state's highway transportation agency and its function is to keep the highway traffic moving during all seasons of the year with maximum safety and with the least inconvenience to the traveling public. This means that the pavements must be so maintained that they will always present a smooth riding surface, which can only be assured by constant attention to the roads day by day. When it is realized that there are now about 12,000 miles of roads on the state highway system, of which almost 8,000 are hard-surfaced roads, it is obvious that the maintenance problem is a real job and can only be effectively handled by an organization which is thoroughly experienced in highway work.

While politics have been eliminated entirely from all the work of the Department, the most outstanding change in the organization of the Department's forces in this respect was the elimination of poli-

tics in connection with the appointment of the 52 superintendents in charge of the maintenance work.

Formerly the superintendents in charge of maintenance work were called county superintendents and they were REQUIRED to have political endorsements. The result was that as a general rule they were not competent to supervise this important branch of the work. Moreover, these superintendents appointed the foremen, caretakers and laborers who did the maintenance work under their supervision, and, in many instances, the foremen who were selected did not have the qualifications to supervise the work under their jurisdiction. Highway maintenance jobs are no longer filled by political favorites.

An appointment as superintendent of maintenance now goes only to a man whose first qualification is that he knows his job. Only such men have been appointed during this administration, and all incompetent superintendents and employes have been dropped from the payroll.

Under the changed order of things the state gets real returns for the $20,000,000 a year expended on road maintenance.

The Department is now saving about $500,000 a year in this branch of its work as a result of studies inaugurated during this administration concerning the methods employed. This saving has increased the amount of work done for each dollar of expenditure.

The snow removal program, during this administration, has been increased to include 54 per cent more of the paved mileage than heretofore.

At the present time there are 6,340 miles of the 8,000 miles of paved roads on the snow removal program, or 79 per cent of the paved mileage. Prior to 1923 there were only 1,400 miles of the 5,591 miles of paved roads on the snow removal program, or 25 per cent of the paved mileage.

The reason that the snow removal program is not extended to take in all of the improved mileage is that there are certain roads that are only partially paved and where the light traffic would not justify the expenditure.

The snow removal activities are keyed into the snow alarm system which was put into effect early in this administration. Whenever a snow fall reaches a depth of two inches, several thousand men and numerous snow plows are immediately put to work and continue working day and night until the snow is removed and the roads are open to travel.

FINANCIAL REORGANIZATION

All expenditures of the Highway Department during this administration have been controlled through a budget system that was installed in 1923. Through this control the expenditures have been kept within the available funds in marked contrast to the chaotic conditions of former years.

The Department budget includes separate appropriations for each major sub-division of the various classes of work and departmental activities. It is very carefully worked up and requires a great deal of study because the estimates for very desirable highway improvements and extension of departmental activities, always greatly exceed the income and have to be cut down so that the total budget will be within the estimated income for the year.

MAKING GOOD OLD DEFICITS

When this administration began, there was a deficit of almost $12,000,000 in appropriations made to the Highway Department by the Legislature in 1917, 1919 and 1921. As has been incidentally mentioned elsewhere the Legislature had pledged the State to give the townships of the second-class $2,000,000 in reward money for road work. Many of the townships were ready to proceed but were unable to do so because the state would not meet its share of the cost. Other townships went ahead and incurred the liabilities and were unable to meet the bills through the failure of the State government to make good the Legislature's pledges. State-aid construction money, which is distributed among the several counties and spent on roads designated by the county authorities, was short $6,700,000 because of the same inability of the Commonwealth to make good its promises and even the state highway appropriations were over $3,500,000 short. These deficiencies have all been made good during the present administration as a result of the administration's insistence upon meeting these old obligations before new ones were undertaken.

Under the method of financing highway work proposed by this administration and approved by the 1925 legislature, the users of the highways are now paying the entire highway bill. The amounts now collected from motor vehicle registration fees and three-fourths of the two-cent gasoline tax are used exclusively for highway purposes and support the entire maintenance and upkeep of the 12,000 miles of state and state-aid highways and the general operations of the Department, as well as meeting the interest and sinking fund on the state highway construction bonds. This is a sound economic policy and, if pursued, there should be no repetition in the future of conditions prior to this administration when there was a deficit in the funds appropriated for highway purposes.

COMPARATIVE COST SYSTEM INCREASES PRODUCTION

The Department has placed the work of all the division engineers, district engineers, superintendents, foremen, caretakers, etc., on a comparative cost basis. The cost of certain work in one section of the state is compared with the cost of similar work in every other section of the state. This brings to the attention of the executive the efficient and effective workers as well as the careless and inefficient ones. Such a comparative cost system, due to the competition which it brings about, is the greatest possible stimulus for increasing production and lowering costs.

SAVING ON REJECTION OF HIGH BIDS

During this administration the Department of Highways has saved about $1,000,000 by rejecting bids for highway construction that were too high. The Department makes estimates of probable costs under each contract that is advertised. If the bids are too high they are rejected and the work is readvertised.

AWARDING OF CONTRACTS

During this administration approximately 800 contracts, involving about 2,600 miles of construction, have been awarded and the work

has been handled under rigid inspection with the unusual record of only having to take 6 of these jobs away from the contractors, and with no law suits arising. This compares with 20 failures in the work awarded during the previous administration.

Clauses are included in the specifications requiring proof of competency and financial ability of of the successful bidder before awards are made. The successful low bidder is required to fill out questionaires on finances, equipment and experience to qualify him for the project involved and file a letter from a bank agreeing to finance the contractor if called upon in an amount of 20 per cent of the contract price.

STATEMENT OF AWARDS AND REJECTION OF BIDS

A procedure has been set up embodying a complete statement recording the action taken on all bids received, including awards and rejections, indicating why they were accepted or rejected. Formerly no record was made of the reason for the award and rejection of bids.

PURCHASING

The purchases by the Department for materials and equipment for the upkeep of the State highway system aggregate over $6,000,000 a year. Prior to this Administration most of these purchases were made on quotations from three or more selected bidders. In 1923 the Department adopted the policy of making all except emergency purchases from competitive bidding after advertising. This opens the door to everybody and eliminates any possibility of favoritism in making purchases. Furthermore, it insures greater competition which necessarily results in a saving to the Commonwealth.

AUDITING OF DOCKETS OF LOCAL ENFORCING OFFICERS

The motor vehicle laws are enforced in all local jurisdictions and the law provides that fines collected, except for violations of speed and weight provisions, are returnable to the Department of Highways. Prior to this administration only a feeble effort had been made to audit the 4,000 dockets of local enforcing officers, but now a uniform, systematic audit is nearing completion and the procedure calls for such auditing at regular intervals. This audit insures the return of about $500,000 to the Commonwealth which was retained by local treasurers because of misunderstandings, misinterpretations of the powers vested in local authorities under Section 19 of the vehicle law or for other reasons.

ADMINISTRATIVE REORGANIZATION

CHANGE IN EXECUTIVE SUPERVISION

To properly perform and adequately control the big program of work carried on during this administration, it was necessary to reorganize the Department so that there would be a better field control of the work. Formerly one engineer, with headquarters in Harrisburg, was in charge of construction work and another engineer, with headquarters in Harrisburg, was in charge of the maintenance work. The fifteen district engineers, with headquarters located in different sections of the state under their respective juris-

dictions, reported to one on construction and to the other on maintenance. This type of organization was not only confusing, but resulted in a duplication of effort as it made it necessary for two engineers from the main office to travel over virtually the same territory with each district engineer, one for construction and one for maintenance work. This has been overcome by dividing the state into four geographical divisions and assigning a division engineer, who reports to the engineering executive, to take charge of both the construction and maintenance work in his division. The work is under the direct supervision of the district engineers in each division who report to their respective division engineers, and the superintendents of maintenance in each district reporting to their respective district engineers.

The new arrangement has resulted in a much closer executive control over the field operations, especially the maintenance work. The division engineers spend about five days a week riding over the highway system with their district engineers. This keeps them in close touch with all of the field operations, the work being performed by department forces and the construction work being performed by the contractors.

RELATIONS WITH PERSONNEL

During this administration, the Department has put some of its best effort into building up closer and more cordial relations with the thousands of men working more or less directly under its supervision. There are 25,000 persons working under the supervision of the department at the height of the season. They are scattered over the whole territory of the state. To wield them into an effective organization is a big problem in employment management. Some of the means of meeting this problem developed during the last four years are:

1. Three day engineering conference held at Harrisburg in the early Spring. This is attended by division engineers, district engineers, maintenance superintendents, assistant engineers and inspectors who have responsible charge over highway construction. Both general and group meetings are held. These conferences not only promote an espirit de corps, but are of the greatest value from the standpoint of instructing the men and insuring a uniform procedure for each class of work under the jurisdiction of the Department throughout the State.

2. Field meetings. Several times a year the maintenance superintendents call meetings of the caretakers and foremen, particularly to discuss the comparative unit costs of the work under way in that district. The maintenance superintendents meet frequently in the district engineer's office to discuss the planning and scheduling of the season's work, the annual estimates of funds, etc. The division engineers hold meetings of their district engineers to discuss the performance of the work in the divisions, unexpected difficulties, etc. These meetings have resulted in the working out of new and better methods of performing the work which have decreased the cost.

3. Field Inspection Trips and Prize Sections. The superintendent accompanied by his caretakers makes an annual inspection trip over the county, at the end of which the caretakers vote on the best sec-

tion which is known as the prize section for the ensuing year. A similar procedure is followed by the district engineer and his superintendents. This brings the organization closer together and promotes added interest and enthusiasm in this work.

BETTER SERVICE TO MOTORISTS

Altogether this rapid extension of the State's good roads system, together with efficient maintenance work has been of tremendous benefit to the users of motor vehicles, and this naturally includes those who use automobiles for business purposes. As an illustration it can be said that motor vehicle owners are saving $29,000,000 annually in reduced operating costs, as a result of the replacement, during this administration, of 2700 miles of dirt roads by new hard-surfaced roads. Deducting the additional annual charge, due to this construction comprising interest, sinking fund on the investment and maintenace, which amounts to $11,000,000 a year, the net saving is $18,000,000.

These figures are not given carelessly. They are based on research activities carried on throughout the United States, including Pennsylvania, which showed that the operating costs for motor vehicles are about 25 per cent higher when operating on dirt roads than on hard-surfaced roads. The figures for the total saving on the 2700 miles of new roads were reached by detailed traffic surveys made by the Department.

ANNUAL LICENSES

All annual registrations of motor vehicles conducted before the advent of this administration were surrounded by confusion on the part of the motor vehicle owners. On some occasions it was necessary to extend the time for the use of the old tags for a month or so, but on all occasions the department offices at Harrisburg were almost swamped at the end of the year by motorists who waited until the eleventh hour to get their tags, usually on the assumption that the time would be extended.

The Department now sends applications and bills for the annual registration of motor vehicles to the owners several months prior to the time when tags must be used. This system has been of immeasurable convenience to every motor vehicle owner. The registrations now proceed smoothly with only a slight eleventh hour rush, and at a decreased cost per registration.

PROTECTION TO OWNERS

The Department under this administration has put into effect a law requiring all motor vehicles to be titled just as real estate is titled, a requirement which has resulted in the reduction in the number of motor vehicles stolen and in reducing insurance rates in this state for theft of automobiles by about 20 per cent.

HIGHWAY MOTOR PATROL

Early in this administration the Highway Motor Patrol was organized and it has been gradually increased until it now has an authorized strength of 350 men. The major activity of the patrol is the enforcement of the motor vehicle laws on the state highways and

rendering assistance to the motoring public. A unit of the patrol is responsible for the examination of prospective motor vehicle operators, which has contributed to the reduction of incompetent drivers. Details of the patrol also weigh truck loads on the highways where heavy loading is undertaken, examine headlights, etc.

The expense of the Highway Patrol has been very largely offset by examination fees for motor vehicle operators and the fines collected for motor vehicle law violations.

MAKING THE HIGHWAY SAFE

Safety on the highways is the biggest highway problem of the present day and must be given right-of-way over all others.

About 1,700 persons are being killed in Pennsylvania each year through automobile accidents, a large percentage of which is due to careless and reckless driving and glaring headlights. The Department of Highways, through its motor patrol, is carrying on an intensive campaign to prevent careless and reckless driving and to eliminate glaring headlights. The motorists have been requested to cooperate by taking their responsibility more seriously while driving their cars.

Safety activities will involve considerable construction to eliminate dangerous highway conditions, toward which the Department has already made some headway, but which must receive increased emphasis in its future activities. It will also include an adequate system of highway signals, readily discernible night and day, supplemented by more adequate policing. The usefulness of the highway motor patrol in patrolling the highways has been greatly increased with a recent addition to the force of 100 men, but more patrolmen should be added from time to time to keep pace with the increasing traffic on the highways.

RELOCATIONS

During this administration about $7,250,000 has been saved in construction costs due to relocations made on state highways, which has resulted in saving 145 miles of construction.

The annual saving to the motorists due to shortening the distance traveled is $6,424,000 a year in motor vehicle operating costs. About $696,000 a year represents the annual maintenance costs and the interest and sinking fund requirements on the bonds to finance the 145 miles of construction, giving an annual saving of $7,120,000 a year.

GUARD RAIL

This administration has constructed about 700 miles of guard rail, involving an expenditure of about $1,600,000. Previous to this administration only 200 miles had been built. These guard rails consist of seven-foot locust or chestnut posts set three and a half feet above the ground, through which two wire cables are strung. Guard rail is erected on all embankments on state highway routes and has prevented many serious accidents by saving trucks and passenger cars from falling down embankments.

During the past two years the Department also made very intensive investigations in regard to the design of guard rail fences

and fittings, in which the procedure followed was to erect fences of various types and to run loaded vehicles against them at various angles of contact. As a result of these studies, the strength of the guard rail has been increased at no appreciable additional cost, and it will now withstand the heaviest loads and prevent all vehicles that are beyond control from falling down embankments.

WIDENING OF DANGEROUS ROADS

Particular emphasis has been placed on the widening of dangerous highways throughout the state, the elimination of dangerous curves and steep grades, particularly on the mountain roads. For example: very extensive work was done on the Lincoln Highway between Chambersburg and Pittsburgh. On this stretch of 154 miles all the dangerous narrow curves have been eliminated. Although there are several hills, which are four miles or longer, it can safely be traveled with a fair degree of speed because of the widening and the elimination of dangerous curves.

ELIMINATION OF GRADE CROSSINGS

During the 1923-26 period, the Department eliminated 254 grade crossings, 177 by relocation of roads. $1,500,000 has been spent in the elimination of the remaining 74 grade crossings, on 51 of which work is complete, and on 23 of which the construction work of elimination is under way.

TRAFFIC LINES

Under this administration the extensive painting of white traffic lines on the highways was undertaken, and white lines are now painted on all horizontal and vertical curves where there is not sufficient sight distance to see vehicles coming from the opposite direction. This work has resulted in emphasizing the necessity for driving to the right of the road and undoubtedly reduces accidents on the highways. The Department has also painted warning signs on the pavements at grade crossings and intersecting roads to supplement other types of warnings given the motorists. These activities have received wide-spread commendation.

DIRECTION AND WARNING SIGNS

This administration has also erected about 20,000 signs on the highway system as compared with a total of about 5,000 signs prior to this administration. Previously, warning and direction signs were placed only on the primary system highway. Now they are placed on all state highways. Reflector signs for night driving are placed at all dangerous locations.

ROAD OILING

During the present administration one of the important policies has been the completion of the annual oiling program prior to July 1—and the last two years prior to June 15—thus saving the summer traveler the inconvenience of riding over sections that have been recently oiled. Previously, the surface treatment of the stone roads had been carried on over the entire working season with the result that the summer traveler was almost sure to run into some oiling work in making a trip of any appreciable length.

Another very important policy of this administration was the oiling in half road widths and not oiling the second half until the first half had dried. This has made the highways much safer to the traveling public and has met with widespread approval.

Under this administration the policy was initiated of oiling several thousand miles of the more heavily traveled dirt roads. Formerly it was impossible to travel over such roads with any comfort, but now the dust nuisance has been largely eliminated and a higher standard of "rideabilty" maintained.

DETOUR MAINTENANCE

Recognizing that service to the public is its first consideration, the Department under this administration initiated the practice of maintaining suitable detours, at the expense of the Commonwealth, on the local roads comprising a detour around the state highway projects. It has also provided adequate marking of these detours so that now it is impossible for the motorist to lose his way on a detour. This policy has brought widespread favorable comment.

In executing a construction project where a suitable and convenient detour could not be obtained, the Department has provided that the construction should be done in half width sections, thus enabling the roadway to be kept open for traffic.

NAMING AND NUMBERING HIGHWAYS

The Department has adopted the policy of giving all of the highway routes a traffic number for their entire length throughout the state and a name, in the case of the more important highways. These route numbers have been put on the telephone poles on all routes. The Lincoln Highway, for instance, is No. 1, from a point where it enters the state across from Trenton, New Jersey, to a point where it leaves the state at the Ohio State line west of Pittsburgh. This system of marking the roads is a great assistance to the traveling public.

PUBLIC INFORMATION

The Department has greatly expanded and emphasized its service to the traveling public by maintaining a public information office for tourists which handles thousands of requests for road information, has published a map of the state highway system and important local roads expressly suited to the tourist, has published two annual editions of the tourist's guide containing facts the motorist should know of which more than 500,000 copies have been distributed and also has adopted an improved type of weekly detour map which is sent to thousands of garages, motor clubs, etc. The new type of detour map and tourist map has been extensively copied by other states and automobile associations. The tourist's guide is considered the finest of its kind ever published. All of these activities have given a distinct service to the traveling public and have received general commendation.

TRAFFIC SURVEY

During the present administration, a traffic survey was made in cooperation with the United States Bureau of Public Roads which

paid half the cost. This was absolutely necessary in order to furnish the Highway Department with data that would enable it to plan wisely for the future traffic needs of the Commonwealth. Beside the data on present traffic, this included reliable estimates on future traffic and the probable character of that traffic; that is, whether it is likely to be largely passenger or truck traffic, derived from agricultural, industrial, manufacturing, coal mining or other pursuits. This information enables the Department to determine the type of road most economical and best suited to the particular traffic needs in each locality.

PROVISION FOR FUTURE WIDENING

Until the present administration, no provision was made for an ultimate right-of-way plan for the state highway system, though it is common knowledge that traffic is rapidly increasing and that the sounder economic policy is that commonly followed by municipalities of having a city plan and fixing future street wdths. While the property included in this width is not condemned immediately, the fixing of it governs future building operations and thus saves the city considerable sums of money. A similar program has been followed with regard to the State Highway System. Plans are filed in the various county seats establishing the width that will ultimately be taken for each section of highway. Any improvements or developments within these ultimate right-of-way lines are then made at the owner's risk and no damages can be collected for them.

This policy, if continued, is bound to save future generations in the Commonwealth many millions in property damages.

THE DEPARTMENT OF WELFARE

It is no exaggeration to say that, during the last few years, welfare work supervised by the State has emerged from the Dark Ages. Modern sciences—psychology, statistics, sociology—have thrown great light on the old problems of crime, insanity and indigence. They have developed infinitely more intelligent methods of dealing with these problems—far-sighted methods that prevent, sound programs of rehabilitation, and suitable and humane treatment of incurable cases.

Outside of a few exceptional cases, Pennsylvania was not profiting by this knowledge. She was conspicuously behind neighboring States in dealing with these problems by modern methods. A beginning was made by the establishment of a Department of Welfare in 1921.

The present administration took over this infant department, appointed Dr. Ellen C. Potter as directing head, expanded it powers, increased its personnel, and gave vigorous backing to the policies initiated by the trained staff of the Department. The great object was to take welfare work out of poltics and out of charity, too, and treat it as a science—the prevention and cure of social disease. There are 58 trained professional people on the staff today as against 28 in 1922.

The Department has, for the first time, entire fiscal control of State-owned institutions, including penitentiaries, reform schools, mental hospitals and institutions for the feeble-minded. This has enabled them not only to see that the public monies are spent with proper economy but also to raise the standards and improve the methods of service most effectively. It has also supervision over State-aided hospitals, over county prisons, almshouses, institutions, for children, et cetera. All appropriations to reimburse State-owned or other agencies for the free care of the indigent or afflicted are made contingent upon certification by the Department.

SOUNDER BUSINESS ADMINISTRATION

The Department has supervision of 898 institutions and agencies, covering a population of 147,500 and reporting annual expenditures of more than $40,000,000. To handle this wisely, it was necessary to have a new financial policy and a budget, and to use business methods.

During this administration, the accounting systems of the State-owned and State-aided institutions have evolved from chaos to a sound business basis which makes it possible to contrast the business efficiency of one with that of another in its own class and enables the institution itself to keep an intelligent check upon costs of operation.

As one result, the Department reports that whereas every institution but one, Hazleton State Hospital, had an operating deficit for the biennium ending May 31, 1923, there will be for this biennium, ending May 31, 1927, not more than one showing a deficit.

The work of devising and installing a uniform system of accounting for State institutions was completed during this biennium.

The salary standards and classification of employees under the new administrative code have greatly aided institutions in lessening turnover among employees and consequent loss.

It was recognised that the institutional farms were not contributing as much as they should to maintenance. With the co-operation of the State Department of Agriculture and State College, farming methods have been improved. As an instance, one steward reports an increase from 60 per cent to 90 per cent in his potato crop yield as a result of advice on rotation of crops and spraying.

Fuel saving has been studied, more economical methods of firing introduced and fuel saving equipment installed where funds permitted. One institution, during the last 5 years has reduced its annual fuel consumption 28 per cent (a reduction in cost of approximately $7,000 a year).

A complete survey and evaluation of all the real estate and building holdings of the State has been made, deeds located and filed with the Secretary of Internal Affairs. Plot plans have been made and are on file together with building plans wherever available.

One of the noteworthy developments of the last four years was the drive to correct the hazardous conditions in State institutions, which existed everywhere when this administration began. With the law properly interpreted and funds made available, trustees co-operated willingly in bringing conditions up to the standards of the Fire and Panic Act. Every serious and imminent hazard covered by this Act will have been eliminated by the close of this administration.

A Pennsylvania State Stewards Association, sponsored by the Department of Welfare, was inaugurated. It holds quarterly conferences where various topics relating to the management of institutions are discussed. Standard specifications have been worked out for six principal supplies.

More adequate and uniform accounts have been worked out for the Mother's Assistance Boards, the institutional farms and other branches of welfare service. At the same time, experts have made every effort to keep these accounts as simple as possible. The results have been excellent.

FOOD ADMINISTRATION AND NUTRITION

A large proportion of an institution's budget is allocated to food. More important still, the Foods Department can promote health or foster disease, create satisfaction or cause riot, be administered with waste and extravagance or economically and scientifically.

Early in this administration, a trained and experienced person was appointed Consultant in Food Administration. Real progress has been made in improving conditions in State-owned and State-aided institutions, in combatting ignorance, carelessness, and politics.

Trustees and superintendents are coming to realize the importance of having on the staff a professionally trained and experienced nutrition worker to supervise menu planning, foods purchase, quality and quantity checking thereof, coordination of farm and garden production with needs and a simple system of cost accounting.

Under such a person, it would no longer be possible for the department records to show such cases as oatmeal served to patients twice a day 365 days in the year, cornbeef and slaw to toothless patients, and macaroni and soup constituting the chief diet of children when vegetables were rotting in the cellar.

Surveys of State-owned and State-aided institutions followed by written reports have increased interest in this most important phase of institutional management. The Department is receiving a steadily increasing number of requests for expert advice on particular problems. Conditions, particularly in State-owned institutions, are markedly improved and a number have reached a creditable standard.

NURSING CONSULTANT

The State Department of Welfare is concerned with the nursing care of more than 12,000 patients in mental hospitals and potentially 20,000 patients a year in the State-owned medical and surgical hospitals in the anthracite and bituminous coal regions.

Previous to this administration, there was no responsibility fixed on any one person —(unless the Secretary of Welfare, who had a hundred other duties)—to watch the standards of nursing in these hospitals, the living conditions of the nurses and, in general, give expert advice to the hospitals and intelligent guidance to the State's policy in these matters.

Two years ago a Nursing Consultant was appointed. Her investigations have brought out clearly the necessity for development along several lines in the State-owned hospitals, particularly more training in psychiatric nursing and better housing conditions for nurses.

There are six State-owned general hospitals in the coal regions that conduct accredited schools of nursing. The Nursing Consultant has assisted in reorganizing the administrative and nursing departments in several of these hospitals in order to effect an organization under which the hospitals can function better and give the best possible service to the mining communities.

Through the cooperation of the personnel office, the Pennsylvania State Board for the Registration of Nurses and the local hospital boards and executives, the nursing departments are now headed by registered nurses only, and in cases where unregistered nurses were found, every effort was made to assist them to become registered by encouraging them to take courses to make up their deficiencies.

CHILD WELFARE

LEGISLATION

One of the obvious needs in this field was the collection and codification of State laws pertaining to children. At the instigation of the Department supported by the administration the 1923 Legislature created a Children's Commission for the purpose of studying existing children's laws and proposing new legislation.

Among the laws for which this commission is responsible is that requiring every person or unincorporated agency wishing to board more than one infant under 3 years of age to secure a license from

the Department of Welfare. To date there are 75 licensed homes; 19 have been disapproved, and on 7 others action is pending. It is a most effective way of insuring decent conditions for these unfortunate babies.

INSPECTION WORK

This work has gone steadily forward and has been the means of securing consistent improvement in children's homes and other child-caring agencies. A special drive was made to correct the laxity of methods too frequently found in day nursery work. The most undesirable nurseries have been closed, while others show a marked improvement in equipment as well as in intelligent handling of their problems.

CONFERENCES

Special conferences have been held on the problem of crippled children. A plan was worked out in cooperation with the State Society for Crippled Children for the development of local diagnostic and operative clinics. The plan includes the employment by the Department of a trained physiotherapist who cooperates in these clinics and in the follow up work with the children in their own homes. Twelve towns have been chosen as demonstration centers.

Summer institutes for institutional workers have been well attended and have done much to improve standards of work. Three-day sessions were held at Thorn Hill School, Allegheny County in 1924, at Carson College, Montgomery County in 1925 and at Harrisburg in 1926. Among the useful pieces of work done at these sessions, was the working out of minimum standards for children's institutions. Here are a few of the facts revealed:—

Tooth brushes were provided only in ...156 of the 240 homes
Adequate bathing facilities only in .....147 of the 240 homes
Regular health supervision only in ..... 76 of the 240 homes
Adequate milk supply only in .....104 of the 240 homes
Books were provided only in .....137 of the 240 homes

RESEARCH WORK

This includes a very thorough study of adoption, the completion of field work on a Study of Results of Modern Methods of Training Delinquent Girls and several shorter studies. Bulletins published by the Department, such as Dr. Taft's article on "Some Undesirable Habits and Suggestions as to Treatment," and Mrs. Tyson's study of Day Nurseries are in great demand both in and outside the State.

MOTHER'S ASSISTANCE

The State appropriation for the biennium was $1,750,000, an amount similar to the appropriation for the preceding biennium which had represented an increase of 75 per cent over the largest previous appropriation ever made to this Fund.

ORGANIZED COUNTIES

In January, 1923, there were 50 counties organized under the Mother's Assistance Fund law. Today the number is 56, one new

county, Tioga, having taken advantage of the Fund during this year. Eleven counties have not as yet accepted the provisions of the Act.

NUMBER OF FAMILIES AND CHILDREN AIDED

It is interesting to note that in December, 1922, immediately preceding the opening of this Administration, there were 2,502 families, representing 9,124 children, receiving aid under the provisions of the Mothers' Assistance Fund.

There were 3,481 families including 11,826 children under 16 receiving Mothers' Assistance May 31, 1926, an increase of 29 per cent. During the biennium 4,982 families were assisted, including 17,949 children under 16.

GAINS IN SERVICE TO MOTHERS AND CHILDREN

Three fifth-class counties during the biennium have, for the first time, employed part time workers. In two fourth-class counties skilled workers are taking the place of untrained workers. In two other fourth-class counties the workers formerly on part time are now on full or nearly full time. Better health work, more frequent visiting, closer school guidance and a more intimate partnership between the State and the mothers are resulting therefrom. In nearly half of the counties the children, or the mothers and children, receive careful physical examinations when the grant is made, and throughout the entire Commonwealth there is thorough follow-up of physical defects to insure a foundation of health. More attention is being given to the promotion of good health habits and to instruction in diet and homemaking. The strong, vital, personal, relationships between the trustees and the families have not diminished with the employment of workers, but continue to operate as one of the main pillars of the Pennsylvania system.

MENTAL HEALTH WORK

This work was in its infancy at the beginning of the administration. It was, at once, recognized that, in the light of modern science and accepted medical practice, it was of the highest importance to the State.

The number of trained workers on the staff has been doubled, and includes psychiatrists, psychologists, occupational therapist, consultant in music and allied activities.

In January, 1923, there were 20 mental clinics in operation. There are now 51 mental health clinics in Pennsylvania.

EDUCATIONAL ACTIVITIES—TALKS

During the last two years, the bureau has been represented at various State, National and International meetings related to mental health questions. Numerous talks on mental health have been made throughout the State before various groups such as Parent-Teacher Associations, Medical Societies, luncheon clubs, normal school and college classes, teachers conventions and the like. A large amount of literature relating to mental health has been distributed. Subjects included are the work of our clinics, child psychology, mental measurements, mental hygiene, the problem girl, et cetera.

MENTAL CLINICS

The rapid development of this work is most gratifying as it aims to *prevent* mental disease by detecting and treating in early stages and to give extra institutional supervision to milder cases; so that they may be to some extent self-supporting and lead a more normal life. The value of this work in dollars and cents to Pennsylvania is obvious. Its value in preventing human suffering is much greater.

We have made an effort in the larger cities to have the Community Chests take over the clinic as a community enterprise, gradually, in which they will be assisted by the State until such time as they can assume the whole burden. Scranton has employed a secretary for the clinic, and Reading has employed a secretary and in the last budget drive made provision for a full time psychiatric worker for the clinic.

More time has been devoted to the investigation of the applicants on the waiting lists for State institutions for defectives. The idea has been to discover the most urgent cases, to keep the others under supervision and to eliminate from the list those not suitable or no longer in need of attention. Investigations totalling 1,130 for the three institutions have been made as follows:

	Laurelton	Pennhurst	Polk
1924-25	64	331	134
1925-26	161	243	197

The urgent cases are admitted by the institution as quickly as accommodations are available. Those not urgent are kept under the supervision of the Bureau and whatever is necessary is done for them, advice being given to parents, schools and agencies in regard to their care. If at any time their condition changes and they become necessary institutional cases, word is then sent to the institution for which an application has been filed.

It is gratifying to find, that although even the urgent cases represent a larger number than the institutions can accommodate at once, a large number of cases do not need such care, or are not suitable, and the waiting lists which have long been such a spectre are at last beginning to fall into some regular system. It is also gratifying that more and more the clinics are finding many of these cases early in life and are able to make recommendations for institutional care when it is necessary, thus preventing some of the needless recommendations or those based on wrong diagnosis.

OCCUPATIONAL THERAPY

In January, 1923, there was one State and one county mental hospital in which occupational therapy was organized. A majority of the State hospitals now have well organized occupational therapy departments. Seven of the 13 licensed county hospitals have such facilities. On June 1, 1926, there were on duty 25 trained occupational workers, exclusive of pupils on duty during summer months. The number of nurses and attendants working with the occupational therapy department was 29.

In this connection, the Music Division must be mentioned as having done most distinguished work. This program has attracted international attention and gained the praise of prominent medical and educational bodies in this and foreign countries.

COOPERATION WITH STATE INSTITUTIONS

In the light of modern psychology, criminal cases, particularly in adolescence, are possible mental cases with a chance for cure. The Bureau has instituted a regular examination of all admitted to Huntingdon and Muncy. This makes possible classification and more intelligent treatment of individuals.

Finally, it is believed that the Commonwealth is now in a better position than ever before for a forward movement in the mental health field. A comprehensive State-wide program for institutional development has been prepared; the field is largely organized for clinic consulations and community service, affording opportunities for preventive measures. It is hoped that funds may be made available for carrying out the urgent program which has been based upon so much study and matured thought. And it is likewise the hope that complete State care of all mental patients, shown to be so important in previous reports, and so generally the rule throughout the country, will eventually be brought about in Pennsylvania.

BUREAU OF ASSISTANCE

This Bureau is responsible for inspection and supervision of 83 county, borough and township almshouses, 19 homes for the aged, administration of State aid to 166 hospitals, 16 of which come under the Lump Sum appropriation, and the administration of the act regulating the solicitation of funds.

ALMSHOUSES

Under the present head of the Bureau, appointed during this administration, a flood of light has been thrown on conditions in almshouses throughout the State, and vigorous efforts to improve these conditions have brought real results.

The Director of the Bureau personally visited 76 of the 83 almshouses to study and classify the inmates as to whether they were able-bodied hoboes and ne'er-do-wells or sick and in need of hospital care. It was found that in a classification of over 5000 patients from 66 almshouses, only 2,138 were physically able to do some of the work about the institution. Fifteen hundred and eighty-four persons were found barely able to take care of themselves, but not to work and needed occasional medical and nursing care. Eighteen hundred eighty-eight cases, fully one-third, were not able to care for themselves and needed nursing care and frequent or constant medical service. Of these, 1013, more than half, were in almshouses with no hosiptal facilities.

The Department is stressing, at every opportunity, the grave need of "hospitalizing" the almshouse and it is apparent that the Directors of the Poor are receptive fo the idea and in several instances are already equipping their institutions to meet the need.

During the last two years three counties,—Erie, Lawrence, and Monroe—have built new almshouses and provision is made in these for the care of the sick.

Lehigh County Home is in course of construction and adequate hospital equipment is being provided; Northampton County is erecting a new women's building and is making hospital provision; Retreat Home and Hospital for Chronic Diseases remodelled one building and equipped it as a general hospital with resident physician, graduate nurse, etc., is having routine medical examination of all new inmates and having all old inmates examined and classified. Delaware County has equipped another ward as a hospital and employed a trained nurse.

The total amount expended for new buildings and improvements in the two years just passed was $2,490,000. All plans for new buildings or reconstruction of old buildings are passed upon by this Department.

STATE-AIDED HOSPITALS

The year 1923 marked the end of administration of hospitals for the benefit of politicians. Previously it had been a regular custom to swap hospital appropriations for votes. Thorough investigation brought out the fact that the amount which different hospitals got from the State for treating a free patient one day varied from .03 cents to $4.32. Not only this, but politicians' friends, families and distant relatives were getting free service in State-owned and State-aided hospitals when abundantly able to pay for it.

Today every hospital in the same class gets from the State the same amount in reimbursement for one day of free service. Records checked by the Department must show that this service was given to the sick poor who had been identified as worthy to receive such service because of financial need.

The Legislative session of 1925 took a further step forward by appropriating $1,000,000 in a lump sum to the Department of Welfare for the purchase of care for the indigent sick in hospitals not owned by the State. This appropriation was made available to hospitals through a contract drawn up between the Department and the institution. The constitutionality of the use of this appropriation in connection with so called "sectarian" institutions has been challenged in the courts but a final decision has not been reached.

CONDUCT OF PENAL INSTITUTIONS

The disorganization and lack of morale in all our penal institutions in January, 1923, is a matter of history. The chief reason was politics.

Under the old regime in the Eastern State Penitentiary, a group of the worst inmates had been allowed to secure control of a so-called prisoners organization and to run the interior administration of the institution,—the result was thorough demoralization.

Through slackness and bribery of guards, "dope" could be purchased inside the prison. Liquor was brought in and disorderly parties were not of infrequent occurrence, in some cases attended by women from the outside. Vice in various forms flourished.

The danger of a serious outbreak of prisoners was ever present.

These disgraceful conditions were met by prompt action on the part of this administration. A new Board of Trustees was appointed and new management installed. Some 95 per cent of the guards were replaced and wholesome discipline was established. The cliques and groups which had controlled were broken up. Contraband articles were seized and destroyed and the prison organization assumed its rightful form.

In the Western State Penitentiary, evils of another nature prevailed. This prison was a place of harsh punishments. For infraction of rules, dungeons frequently were put into use. No program of rehabilitation was provided.

The dungeons have been abolished and the present system of rehabilitation is one of the finest in the country.

Evils of various kinds in other prisons and correctional institutions likewise have received thorough remedial treatment.

Within two years the personnel on our State penitentiaries and reformatories had been thoroughly reorganized and we were ready to proceed with a more aggressive program of rehabilitation.

OVERCROWDING RELIEVED

An investigation early in this administration revealed indescribable living conditions. In some cases, two and even three people were occupying space barely adequate for one. To give immediate relief, 165 of the inmates of the Eastern State Penitentiary were transferred to county prisons. To meet the situation, many of the county prisons have been renovated and repaired by the county authorities. The construction of the new Western Penitentiary at Rockview has reached the point where part of the main cell block can be occupied and this has relieved the crowded condition at the Western State Penitentiary in Pittsburgh.

REHABILITATION PROGRAM

The greatest advance in the penal work of the State, however, has come in the development of the program of rehabilitation. Not only in the State penitentiaries but in some of the county prisons every inmate is given a physical and mental examination which is followed by a systematic course of treatment where this is found to be necessary.

At the Western State Penitentiary, during the last two years, each inmate has been given a psychological examination; a trained instructor has been put in charge of the educational department and a thorough system not only for the physical but for the mental and spiritual restoration of the inmate has been attempted. This program is the most ambitious of its kind and has attracted attention from all parts of the country, receiving favorable comments on every hand.

The work done by both the Eastern and Western Penitentiary authorities has been supplemented by psychiatrists from the Department of Welfare who are giving special examinations where necessary. At the Pennsylvania Industrial Reformatory at Huntingdon and at the State Industrial Home for Women at Muncy, the

psychological examinations are used as a basis for the assignment to work and school, and in every one of the State correctional and penal institutions an earnest effort has been made to use these newer methods in the readjustment of the inmate's life.

In many of the county prisons not only has cell work for the inmates been encouraged but both industrial and farm activities have been undertaken. In the State institutions, the shop industries which are under the direction of the Department of Welfare, have been increased and approximately 92 per cent of the population in the penitentiaries and reformatories are on the pay roll of the Department, either on the industrial shop or maintenance list. Over 31 per cent of the inmates of these institutions are employed in the shop activities where vocational training is emphasized and industrial schooling is the keynote. The school work at the Pennsylvania Industrial Reformatory at Huntingdon and at the Western State Penitentiary at Rockview has been brought to a conclusion each year by regular graduation exercises, while the activities along this line at the Western Penitentiary in Pittsburgh and the State Industrial Home for Women at Muncy have been far reaching in their results.

NEW BUILDINGS

The completion of the west wing of the cell block at the new Western State Penitentiary at Rockview has been the outstanding building achievement of the biennium. This wing contains 250 cells and by special grouping of selected inmates, approximately 450 men have been housed in it. This has relieved both the congestion at the Western State Penitentiary at Pittsburgh and in the dormitories of the Rockview institution.

The erection of a new building at the State Industrial Home for Women is under way in order that in the next two or three years many of the women who are scattered in the county prisons may be brought under the care of trained women officers and matrons at Muncy.

Large and extensive alterations and improvements have been made at the Pennsylvania Industrial Reformatory for Boys at Huntingdon. That institution, although old in years, is in better physical condition than for several decades.

The erection of a new dining hall at the Western State Penitentiary in Pittsburgh; the building of a modern school house and two new shop buildings have been decided improvements. In order to relieve the almost impossible congestion at the Eastern State Penitentiary, the Board of Trustees has erected by inmate labor, a new block which will house 200 of the younger men. This was done in an effort to tide over the situation until the new Eastern State Penitentiary is erected and to make it possible to segregate the young offenders.

MORALE

In all of these State penal and correctional institutions the present administrations have builded a morale among the inmates that is exceptionally fine and which has been commended by visitors from over the entire country.

PRISON INDUSTRIES

There has been a steady growth in the development and administration of the Prison Industries during the last two years. Business has been maintained without any serious interruptions or periods of slump in any of the various branches of the industries. While the problem of selling has become increasingly difficult on account of keener competition and lowered prices, the amount of business done by the Department of Welfare through its Prison Labor Division has been well over that of any period previous to the present biennium. With the increase of business has come a corresponding increase in the number of prison inmates employed and trained. The supervisory personnel of the Prison Labor Division has also been substantially increased as a result of which much more is being accomplished in the real purpose for which the Prison Labor Division exists—the rehabilitation and training of prison inmates.

The outstanding developments include the establishment of prison industries at Rockview; the removal of the license tag industry from the Pennsylvania State Industrial Reformatory to the Western State Penitentiary; the establishment of the furniture industry and the taking on of the printing industry at the Pennsylvania Industrial Reformatory; and the reorganization of the shoe industry at the Eastern State Penitentiary.

The total business done for the biennium closing May 31, 1926, amounted to $1,646,227.53, an increase of $204,602.86 over the business of the previous biennium.

INDUSTRIAL TRAINING

Definite progress has been made in industrial training. In addition to oral instruction given to inmates working at occupations requiring trade skill, printed lessons in the theory and practice of these trades have been prepared by the superintendents. Printed courses have been prepared in printing, weaving, tailoring, shoe making, knitting and forest tree nursery work. Plans are under way to employ educational directors for the purpose of organizing classes and additional courses and to extend industrial educational opportunities to inmates employed on maintenance occupations.

INTER-RACIAL WELFARE

The negro population of Pennsylvania has approximately doubled itself since the World War. This population is largely concentrated in a few large cities and presents a most serious problem in housing, seasonal unemployment, health, education and racial friction.

The Department has met this situation by calling an inter-racial conference which resulted in the making of a State Survey of social conditions. This formed the basis for a most intelligent program to promote better understanding between the two races.

The relations of white and Negro groups are, after all, neighborly relations in local communities, and our inter-racial work has proven that when we could get the interest of white and Negro citizens locally to work for improving these relations, very definite and significant results are achieved. Through these meetings, the message

of good-will, mutual understanding, and mutual co-operation has reached approximately 30,000 persons of the two races. Twelve inter-racial committees have been organized and they are promoting constructive programs of race co-operation in an endeavor to clearly define and set before their communities the principles, policies and methods by which white and Negro groups all over the State where the two races are in contact in large numbers, may adjust their relations by means of conference, understanding and good-will, in contrast with methods of force, violence and hostile contention.

THE BLIND

In view of the fact that the State had not heretofore undertaken to handle work for the blind in a systematic manner, and also because the present status of the work and the need is so little understood, this seems to be the logical time and place to outline the situation even to the extent of occupying an unusual amount of space in this report.

The number of blind persons in this State, according to revised estimate, is about 10,000.

A Commission to Study Conditions Relating to the Blind was appointed by the Governor in 1923, and on the findings of this body, a series of laws for the improvement of the condition of the blind was enacted by the Legislature of 1925.

The Council for the Blind established by one of these acts is now making a registration of all blind persons in the State.

For the first time, under the new legislation, there is provision for the free education of all our blind children. The cost of the special schooling which is required is shared by the State and the districts in which they are resident.

The Council for the Blind began to function January 4, 1926.

The Council is an advisory and co-ordinating body. It serves as a bureau of information and a clearing house by maintaining a register of the blind in the State and making this data available to other agencies. It assists in developing new and progressive activities through the already existing organizations for the blind.

It was instrumental in having the use of a prophylactic in the eyes of the new born made a regulation of the Health Department. A 1 per cent silver nitrate solution is furnished free to physicians and midwives by the Department of Health.

Since the State Council began to function in January, 1926, personal contact has been made and friendly relations established with all of the active organizations for the blind in the State and the national organizations: The American Foundation for the Blind and the National Committee for the Prevention of Blindness.

Two conferences of representatives of Pennsylvania organizations and State departments interested in the blind have been held in Harrisburg and the Executive Dirctor is in frequent conference with their executives. There have been also a number of group conferences. In addition to visiting the activities of organizations for the blind in Pennsylvania, the Executive Director has visited the work for the blind in New York City, Cleveland, Ohio, and Newark, New Jersey.

The Pennsylvania Association for the Blind in March, 1926, launched a State-wide lecture campaign in the interests of prevention of blindness and work for the blind in general. The Lions' Clubs have adopted work for the blind as their first major activity and this campaign, of which Hon. Henry E. Lanius, the blind Senator from York County, is the lecturer, is being financed by the Lions' Clubs of Pennsylvania, have organized a State Committee on work for the blind.

The Council for the Blind is co-operating with the Pennsylvania Association for the Blind in helping to make this educational campaign a success and to take advantage of the interest aroused by its publicity, to further work for the blind in communities where no activity exists.

A splendid spirit of co-operation exists among the organizations in Pennsylvania as was evidenced by their voting to pool their interests and material in presenting work for the blind at the Sesqui-Centennial Exposition in Philadelphia.

The State Council for the Blind is deeply concerned with the development of a State policy and program of work for the blind in the Commonwealth before any great amount of new work is inaugurated. To this end all the organizations are co-operating.

WELFARE PUBLICATIONS

The gathering of reports and statistics is worthless if it proves to be an end in itself. The Department has demonstrated by its Bulletins published from time to time that its statistical compilations are vital to the development of a State welfare program, and those dealing with Out-Door Relief and with State-Aided Hospitals have attracted national attention.

THE DEPARTMENT OF STATE POLICE

Despite decreased appropriations and a curtailed force, the State Police during the four years of this administration have made 5,000 more arrests than during the entire first twelve years of the troops' existence. In the face of great temptations, the state policemen have performed their duty ably and well and have proven themselves far more efficient than ever before in the history of that body.

Almost without exception, the state policemen have been offered bribes amounting in many cases to more money than they can hope to earn during their entire career as state policemen. These bribes have almost without exception been refused and the would-be bribers—usually bootleggers—have been arrested and convicted. The State Police force during these four years has lived up to the finest traditions of that body and has proven itself the finest police body in the United States.

The Force made 40,477 arrests in the four-year period. The average number of arrests per man has increased to 40 as compared to 30 during the previous administration, an advance of 33⅓ per cent and the cost of the arrest per capita has been decreased from .0984 to .0847, a drop of 13 per cent in the cost of State Police protection to each citizen of Pennsylvania.

It must here be stated to the credit of the Force that such a record was made possible only through the loyalty, devotion to duty and gameness of the individual members. They have averaged nearly twelve hours a day on duty. They have cheerfully carried on under the most trying circumstances, undertaking to do the work that would normally be expected of three times their number. An organization that has so gamely withstood temptation, suffered abuse and performed the most difficult tasks deserves its national reputation as the first of its kind.

That the large number of arrests were not for trivial offenses is demonstrated by the fact that 360 were for homicide and 2,800 were for burglary, robbery and larceny. Further proof that this unprecedented number of arrests was not due to hasty and over-zealous action is that the percentage of convictions was 81.5 per cent which is less than 1 per cent under the record for the previous twelve years. This slight decrease is more than accounted for by the difficulty experienced in some counties in getting indictments from grand juries where liquor law violations were concerned.

In the last four years the fines resulting from State Police arrests amounted to $2,176,718.84, and stolen property valued at $792,207, was restored to its rightful owners.

PAYROLL AND BANK BANDITS

The Force has been uniformly successful in clearing up payroll robberies and bank holdups that have come within the field of its operations. As a result Pennsylvania has been relatively free from this class of crime as compared with other states such as Ohio, Indiana and Illinois.

The arrests for liquor law violations amounted to 13,368. Liquor confiscations amounted to 79,175 gallons of liquor; 4,300,796 gallons of beer; 108,839 gallons of wine; 18,724 gallons of cider; 105.131 gallons alcohol; 563 gallons of miscellaneous liquors and 1,294 motor vehicles, as well as 2,215 stills.

In January, 1923, there were 166 breweries making beer, most of them without permit from the Federal Government. Today there are only sixty-one breweries operating and these are under the Federal and State supervision. The Force has cooperated with the Department of Justice in injunction and padlock proceedings, to the end that 400 saloons have been put out of business and the buildings are now occupied by grocery stores and other legitimate tenants.

It has been said from time to time that prohibition and its enforcement have undermined the morale of the organization. As a matter of fact, the morale of the organization was never better than it is today. The enforcement of prohibition has proved to be an unusual test. The weak have been brought to light and eliminated There was a small number of men in each Troop who were unable to withstand the temptation of bribes offered in amounts of four and five figures. But in all of these cases, the members of the Troop affected were responsible for bringing the disloyal to account. The head of the Department states that he has personal knowledge of the offer of bribes amounting to hundreds of thousands of dollars. One officer was offered one thousand dollars per week if he would keep his men off a certain road at certain hours each day. This officer's pay has never amounted to more than two hundred fifty dollars per month, and it is to his special credit and honor that he made that road impassable for rum-runners.

The Force has also found time to furnish police protection to numerous assemblies, aid the Health Department to enforce health quarantine laws, and the Agricultural Department to make effective the corn-borer and Japanese beetle quarantine. In fact, there is scarcely a Department of the State Government that has not had assistance and cooperation of some kind.

These accomplishments have been brought about in the face of a reduced appropriation of 20 per cent during 1923-25 under the appropriation of 1921-23, and a 12 per cent reduction in 1925-27 under the appropriations of the same biennium. These necessary reductions resulted in a smaller personnel. The four year average for the size of the Force was 278, while the authorized strength is 421 commissioned officers and troopers. This has hampered the patrol system and forced the closing of substations.

	1918-22	1922-26
Arrests for arson, etc.....	304	327
Orders for removal of fire hazards and approvals of gasoline and oil storage plants	$14,715	$30,090
Total cost	$242,772	$159,756

It is to be noted that a considerable increase in number of approvals and orders for removal issue was made (this included, of

course, preliminary inspection), and that there was an increase in arrests for arson. The total expenses of the division, however, have been decreased more than one-third due to effective economies in service.

DIVISION OF CRIMINAL IDENTIFICATION AND INFORMATION

The Division of Criminal Identification and Information, which obtains data relative to crimes, fingerprints and photographs of criminals, has collected approximately 35,000 fingerprints, and classified them for use in criminal cases.

PUBLIC CONFIDENCE

Perhaps the best index to the growing confidence of the public in the integrity and efficiency of the State Police is shown by the number of requests for assistance received from local and State authorities and private citizens. During the previous administration, these averaged 13,385 a year; during the present administration, they have averaged more than 20,000 a year—an increase of approximately 50 per cent. This is evidence that the reputation of the Force within the State is better established than ever before.

THE DEPARTMENT OF PROPERTY AND SUPPLIES

Installation of modern business methods in the purchase of equipment and supplies for the State has resulted in the outlawing of the deficiency appropriation, regarded as indispensible prior to the present administration. Not only have deficiencies been avoided but the actual expense of running the Department has been reduced approximately one million dollars per biennium. Consolidation of the purchasing of the State's general supplies in one bureau, elimination of costly duplication, establishment of quantity purchasing, and the installation of real competitive bidding have all combined to reduce the expense of operating the Department.

Some idea of what has been accomplished in this Department may be gleaned from the appended table which compares the expenditures of the last biennium of the previous administration with the two appropriations made during the present administration:

	1921-23	1923-25	1925-27
Salaries	$657,102	$584,960	$692,937
Supplies, Repairs, etc.	930,469	618,112	625,000
Advertising	17,025	10,554	7,551
Telephone and Telegraph	172,000	130,000	98,953
Rentals	357,500	275,000	265,015
Surety Bonds	30,000	22,142	23,000
Printing, Binding, Paper, etc.	1,252,436	760,000	764,000
Contingent	20,493	16,394	17,000
Heat, Light, Power & Water	59,801	61,000	58,000
Totals	$3,496,826	$2,478,162	$2,551,456

ALLOCATION SYSTEM SUCCESSFUL

The system of allocating appropriated funds under the provisions of the Administrative Code has been highly successful. The allocations to the various Departments for general supplies and repairs, stationery, printing, telephone and telegraph are based on a careful estimate of their needs and each Department is required to keep within the limits fixed by the Executive Board. With two exceptions the amounts so allocated proved sufficient.

As a result of this method the appropriations made for the biennium of 1923-25 proved ample for all purposes and it was not necessary to ask the 1925 Session of the Legislature, nor will it be necessary to ask the 1927 Legislature to make deficiency appropriations. This is a marked contrast to the expenditures for the biennium of 1921-23, when it was necessary for the 1923 Session of the General Assembly to make a deficiency appropriation of $300,000 for printing, $185,000 for supplies and $40,000 for salaries. Before the system of allocating funds was adopted, some Departments spent money without regard to the actual amount available

with the result that the succeeding Session of the Legislature had to make up a large deficit.

SINECURES ELIMINATED

The eliminating of the political sinecure, involving little work, but drawing attractive salaries, has resulted in substantial saving. Unnecessary positions have been abolished. During the 1923-25 biennium a saving of $72,142 was effected over the 1921-23 appropriation period.

PRINTING CONTRACT

On July 1, 1925 the old unbalanced political printing contract came to an end. This was made in 1921 for a period of four years, but the same system had prevailed for more than thirty years. Under this old system the State paid less than the commercial rate for some work, but this was more than overbalanced by inordinately large payments for other kinds of printing. An outstanding example is the cost of the Hunter's License Tags for which the State paid $35,000 when $3,500 would have been a high price. The old contract was of such a nature that no one except those having inside information could make an intelligent bid with the result that competition was practically eliminated. Under the new system the State printing has been divided into ten classifications, with the result that commercial printers are able to bid intelligently and the work is now divided among four different printing firms. The new schedules are so designed that the contractor can make a fair profit on any of the items, but cannot make an unfair margin on any of it.

BUREAU OF STANDARDS AND PURCHASES

With the adoption of the Administrative Code on June 7, 1923, the Bureau of Standards and Purchases was established. Modern purchase methods and records were installed and today the Bureau has an accurate record of all purchases made and can locate any information desired concerning commodities purchased by the State. By the new method service and economy have been made possible.

REORGANIZATION OF THE STOREROOM

Prior to this Administration, storerooms for general supplies were scattered all over the "Hill" and no records kept. With the exceptions of the House and Senate storerooms, the other storerooms, including general office supplies, paints, electrical supplies, plumbers supplies etc., have been combined and reorganized under one head and an accounting system has been installed whereby accurate records are kept of all commodities.

An inventory of all commodities carried in stock is made every 6 months and surplus and obsolete stock inherited at the time of reorganization has been used.

In addition to purchasing supplies for the various Departments, Boards and Commissions to which have been allocated the $625,000 appropriation, this Department acts as Agent for any Department, Board or Commission, which has the right to purchase supplies out

of its own appropriation. These Agency purchases exceed $1,000,000 per year.

OPEN SPECIFICATIONS

Through the elimination of the closed specifications whereby certain supply men were formerly given preference, contracts have been opened up so that all responsible dealers and manufacturers have been given an opportunity to bid and this has resulted in better prices for the Commonwealth. This applies to all Department purchases, which have been placed on a business basis by the Purchasing Bureau, established under the new regime. Instead of purchases being made in small quantities by 125 agencies as heretofore, supplies are now bought in large quantities at a much better price. For the past three years the fifty-seven State institutions have also been making purchases under these contracts.

COLLECTIVE PURCHASES AND STANDARDS FOR INSTITUTIONS

With the forming of an organization of the stewards and superintendents of all State institutions, a contact was made whereby standards and specifications were agreed upon with the institutions. As the result the Commonwealth today has established standards and specifications which have been accepted, subject to change, on the items of groceries, textiles, boots and shoes, and dairy products with the possibility, within the near future, of laundry supplies, furniture, silverware, china and pottery. These specifications and standards are used by the majority of the institutions in making their purchases and this Bureau has at different times entered into contracts for the purchase of groceries, collectively, for all State institutions and in numerous cases have saved them considerable money.

INVENTORY OF FURNITURE AND EQUIPMENT

Realizing the necessity for having a complete record of all State-owned furniture and equipment, located in the city of Harrisburg, we have made a complete inventory of same and have attached a numbered metal tag to every piece of furniture and equipment. This inventory is rechecked periodically and the Department heads are held responsible for any missing property.

STATE ART COMMISSION

The services of the State Art Commission, a departmental unit placed in this department by the Code, are best shown in the work done on county and municipal projects.

The Art Commission has the authority to disapprove designs for public structures which are inappropriate, or in bad taste. It had been the practice heretofore to make no classification report to the owners of the building when the design was returned to the architect for revision, only the final approval being reported. Hereafter the grading or classification marks given to architectural designs will be reported to the owners. The reason for this change of policy will be understood when it is stated that the authors of unacceptable designs must be helped by suggestions from the Commission. Otherwise a building project might be held up indefinitely.

As a matter of public interest, although not strictly within the field of the Art Commission, a review has been made of the 388 sets of drawings for public school buildings submitted during the past 20 months. These include all the public schools planned in the State, outside of Philadelphia, Pittsburgh and Scranton. This survey was made in the effort to learn, from the evidence of the drawings, what sort of architectural service is being employed by the School Boards. From 25 to 30 per cent of the Public School Buildings appear to have been built without competent professional service and some of them without any professional service at all.

A similar condition exists as to municipal buildings and memorials. Many Memorial committees are victims of some self-seeking interest, which binds them to an unworthy project before the Art Commission is consulted.

Following are the statistics of the work of the Art Commission from January 1, 1925 to September 1, 1926.

Total number of submissions 674. Of this number 388 submissions were designs for Public School Buildings, 213 for bridges, 13 for Municipal and County Buildings, 15 for Memorials, 25 for State owned buildings and 20 miscellaneous. Of the 388 designs for School Buildings, 65 were classed as well designed, 228 as having sufficient merit to be acceptable and 95 were so defective in design that they could not be accepted and were either returned to the Architects for revision or were flatly rejected.

THE DEPARTMENT OF MINES

The Department of Mines has greatly increased its activities and influence during the four years of this Administration.

Following the leadership of the governor, it has had an active part in the settlement of one strike in the anthracite fields and the attempted settlement of another walkout on terms that finally were substantially adopted.

However, the work of the department in bettering the conditions under which the miners of Pennsylvania work has by no means been confined to the hard coal fields. Discovery of the rock dusting methods of preventing disasterous explosions in the bituminous mines has resulted in greatly lessening the hazard to the soft coal miners from this type of disaster.

Rock dusting has generally been adopted in the soft coal fields of Pennsylvania and undoubtedly has been effective in keeping down the loss of life and injury from this class of accident.

COAL STRIKES

During the present administration strikes in the anthracite region occurred in 1923 and 1925, disturbing to a great extent the process of trade and causing great inconvenience and discomfort to a large part of the public. A strike in 1923, following the prolonged strike of 1922, bid fair to cause an unusual degree of suffering, but through the intercession of Governor Gifford Pinchot the strike that began September 1, 1923, after the termination of the 1922 Agreement, was brought to an end September 19, 1923, and the great army of anthracite consumers gave voice to their thanks for the removal of the spector of discomfort that seemed destined to haunt them throughout the long winter months. The settlement meant the saving of enormous sums of money to the miner in the way of wages and to the operators in the way of profits, and remedied a condition that threatened the prosperity of a large part of the Commonwealth.

When the Agreement of September 3, 1922 was executed it was understood that both sides in interest would come together in advance of its expiration and make an effort to write a new Agreement based upon data collected by the United States Coal Commission. The report of the Commission, however, was very general in terms and contained no specific recommendations for the guidance of the Anthracite Conference. The demands of the Union covered eleven main subjects including seven points that had been rejected by the United States Anthracite Commmission of 1920. The substance of the demands was: complete recognition of the Union with closed shop and check off; 20% increase in wage rates and a flat $2.00 per diem increase for all-day workers; punitive overtime; universal eight-hour day; and determination of grievances by equity instead of by bases created by agreements from 1903 onwards and crystallized into practice by the Anthracite Board of Conciliation.

Negotiations proceeded to August 13 when the United States Coal Commission intervened suggesting a resumption of conferences in New York on August 15. This suggestion was followed and the conferees again went to Atlantic City August 20th.. They dead-locked again, this time on the proposed wage increase, and adjourned indefinitely August 21st.

Governor Pinchot, after a conference with President Coolidge, then intervened and requested a joint meeting of both sides with him in Harrisburg on August 27th. After holding both separate and joint conferences and after consultations with Coal Commission attaches and others, he called a public meeting on August 29th and proposed a settlement on the following bases:

Recognition of the basic eight-hour day for all employes, with necessary overtime paid at the eight-hour rate.

A uniform increase of 10 per cent to all employes.

A full recognition of the Union without the checkoff.

Complete recognition of the principle of collective bargaining.

The Governor calculated that the wage increase would add about 60 cents per ton to the cost of domestic coal on board at the mine. He said this should not be passed on to the consumer, but proposed that the operators should absorb 10 cents while the rest should be absorbed by the transportation and distributing interests.

The Union made a guarded reply, its representatives saying that they thought the Pinchot proposals paved the way for reopening joint negotiations, with the Pinchot suggestions on wages to be the basis for working out a new scale.

The operators replied that they had already accepted the universal eight-hour day, which would cost about $2,250,000 a year, or an addition of 5 cents a ton to the cost of producing domestic sizes.

They pointed out that a general 10 per cent increase would mean $30,000,000 additional on the annual wage bill, and that this would amount to a minimum of 75 cents a ton on domestic sizes instead of 60 cents which the Governor had figured.

Meanwhile the strike went into effect. Both sides went into conference again with Governor Pinchot and on September 8th agreed on a contract embodying the 10 per cent flat increase, the basic eight-hour day for all employes, the correction of minor points involving the revision of colliery rate sheets, the speeding of grievances before the Conciliation Board, and the readjustment of inequities in wage scales which might be discovered by injury. This contract was dated September 19th, the day the mines resumed work, and it expired on August 31, 1925.

STRIKE OF 1925—1926

The strike of 1925—1926 that followed the expiration of the two-year contract on August 31, 1925, and the failure to reach a new agreement, was the longest strike in the history of the Anthracite district.

The demands of the miners in this case were as follows; 10 per cent increase in tonnage rates; $1.00 a day additional for day men; check-off; equalization of day rates; two-year contract and other features. Governor Pinchot's proposals made November 28, 1925, were laid before a meeting at Harrisburg to which he invited both

miners and operators. The miners came but the operators stayed away. The terms which Governor Pinchot then proposed were practically identical with the terms of settlement as finally made some two and a half months later. When the strike was finally settled, February 17, 1926, the terms of settlement were as follows:

1. Immediate resumption of work for five years on the basis of the wage contract which expired August 31, 1925.
2. Proposals for wage scale modifications are permitted after January 1, 1927, but not oftener than once in any year; conferences on the proposals to start within fifteen days after they are advanced.
3. Failing agreement within thirty days, controversies are to be referred to a board of two men, each representing one of the factions.
4. The board must arrive at a decision within ninety days. It may add one member, after which a majority vote would be binding.

Work was resumed February 18, two days after a miners' convention in Scranton had ratified a settlement reached in Philadelphia on Lincoln's Birthday. They returned at the old scale of wages and under a contract that expires August 31, 1930, five years from the expiration date of the old agreement.

Under the new agreement the Union waives the demands for a wage increase, but as against this it has barred the way to a reduction in wages for at least four and one-half years. It is true that the contract has a clause that makes it possible for either side to request a wage revision on January 1, 1927 and once a year thereafter, but if the other side should refuse the request there is no way to force the issue.

The Governor took a stand against an increase in anthracite prices as a result of the strike.

Prices did not advance materially.

The agreement entered into February 17, 1926, between districts 1, 7 and 9, United Mine Workers of America, parties of the first part, and the Anthracite Operators, parties of the second part, covering wages and conditions of employment in the anthracite coal mines of Pennsylvania, provided that it should be enforced until August 31, 1930.

The Agreement provides for a board of two men to be appointed as follows:

The operators shall name three men and the miners shall name three men. The operators shall select one man from the miners' list and the miners shall select one man from the operators' list and the two men so approved shall constitute said board.

It also provided that wage scale modifications shall be permitted after January 1, 1927, but not oftener than once in any year; conferences on the proposals to start within 15 days after they are advanced.

Strikes in the Anthracite region when general in character involve about 158,000 workers, 272 collieries and 750 mines and the area affected covers ten counties in Northeastern Pennsylvania.

BITUMINOUS STRIKES

Labor conditions in the bituminous fields have been far from satisfactory. In some localities, there has been what virtually amounts to a continuous strike because of the failure of the operators to live up to the wage agreement entered into by them at Jacksonville in 1923.

Throughout most of the bituminous field, miners have not worked half the time and this, too, despite the two anthracite strikes and the English coal strike—all of which resulted in unusual activity in the bituminous fields.

Punitive warfare has been waged by some of the coal companies on the miners who refused to work for lower wages. Many of these miners and their families in spite of protests from the Governor have been evicted from their homes in the dead of winter, while a continual effort to import cheaper labor from the South in the effort to break the resistance of the union miners has created much bitterness.

The operators, in their turn, have been the victims of discriminatory rates ordered by the Interstate Commerce Commission. These rates have had the effect of barring Pennsylvania coal from the New England and Great Lakes markets with a consequent decrease in the demand. Under these rates, coal could be shipped a greater distance from West Virginia much cheaper than coal from Pennsylvania.

The state government, through the attorney general's office, has done everything in its power to secure the correction of these rates and to call the attention of the country to their unfairness.

ROCK-DUSTING TO PREVENT COAL DUST EXPLOSIONS

During the present administration special attention has been given to the causes of explosions in coal mines and efforts have been made to minimize the danger of this class of accidents.

Bituminous coal dust when suspended in the atmosphere of a mine in sufficient quantity creates a highly dangerous condition; when ignited flame is propagated from one particle of dust to another the result is a terrific explosion throughout the entire mine. To prevent such propagation and to render coal dust inert to explosibility the Department of Mines has adopted what is known as the rock-dust remedy. By this means a mine is sprayed with rock-dust that mixes with the fine particles of coal dust diluting the mixture to such an extent that flame cannot be propagated.

This method is rapidly coming into use in all mining states and when the application of rock-dust becomes more universal and complete the accident hazard will be greatly reduced.

The advocacy of this method by the Department of Mines through its district inspectors has caused many of the operators to adopt it and many of the most gaseous bituminous mines are now rock-dusted and preparations for the application of this remedy to many other mines are now under way.

Exceptionally good results have been accomplished by the application of this modern method.

Rock-dusting, it is understood, is applied only to gaseous, dusty mines. The mines of this class produced 76,011,229 net tons in 1925,

and of this amount the mines that were rock-dusted produced 40,227,887 net tons, or more than fifty per cent of the entire out put from gaseous mines. At the present time there are 104 rock-dusted mines in operation, employing 35,930 workmen.

The application of this preventive method is rapidly being pushed and will soon include all mines whether dusty or not. The element of safety will thereby be greatly increased.

In 1920-22 the production per fatal accident by explosions was 2,371,069 tons as compared with 3,338,981 tons in 1923-25, an increase in production per fatal accident from this cause of about 41 per cent during this administration.

During the first three years of this administration, the production per fatal accident was 273,066 net tons as compared to 252,671 net tons for the three years preceding, showing an improvement of eight per cent. Comparing it with the twelve years immediately preceding 1923 there was an improvement of fifteen per cent.

BETTER GENERAL ACCIDENT RECORD

Faithfulness and strict attention to duty have shown splendid results in mining. The accident record of the past three years is well above the average in spite of a reduced inspection force.

MINING COURSE

A mining course was prepared by the Department of Mines, the Department of Public Instruction and State College for use in the vocational schools throughout the coal region and at State College. This is the most complete course of the kind ever prepared by any State department.

WELFARE OF MINES

The accident record of the past three years attests the concern this Department has for the welfare of the mine worker shown in thorough and efficient methods used in inspection and development of accident prevention program.

MINE INSPECTION

In Pennsylvania there are abou sixteen hundred Bituminous mines and about seven hundred and fifty Anthracite mines, and the State has a force of fifty-five qualified inspectors who have supervision in the fifty-five districts.

These men enforce the provisions of the mining laws; investigate all fatal and serious accidents that occur in and about the mines; they also make monthly and annual reports of their activities. When explosions and mine fires occur the inspectors take charge of the rescue work and look after the safety of the rescuing parties. On occasions of this kind great skill and experience are required to perform the work safely and efficiently.

During this administration more than thirty-three thousand inspections of mines and investigations of accidents have been made by the inspectors.

THE DEPARTMENT OF BANKING

A greater measure of protection was afforded the depositors in state banks, trust companies, building and loan associations and other financial institutions of the state during these four years than ever before in the history of the Commonwealth. Public confidence in the state department of banking was never greater and as a result, the funds entrusted to state depositaries increased almost three billion dollars during this administration.

The banking department met this added obligation by making more frequent and effective examinatons of banks than ever before, by tracking down would-be embezzlers before they had an opportunity to do any serious damage and by driving the get-rich-quick stock salesmen from Pennsylvania. During these four years, examiners for the banking department uncovered more embezzlements and misappplications of funds by bank officers and employes than during the entire previous history of the department. Most of these had run for many years wthout detection. In every instance, the offender was arrested and promptly punished.

Every financial institution in the state was examined at least once a year as provided by the law that hitherto had not been obeyed. As a result, several institutions that otherwise would have gone to the wall were rehabilitated and the State banking system generally was greatly strengthened.

The number of bank depositors for instance increased 1,191,021 between Dec. 31, 1922 and June 30, 1926.

Increases in the several funds indicated below are derived from the bank and trust company call reports of December 31, 1922 and June 30, 1926, and from the building and loan reports of December 31, 1922 and December 31, 1925:

Increase in general bank funds	$ 788,000,000
Increase in general trust funds	755,000,000
Increase in corporate trust funds	1,011,000,000
Increase in building association funds	400,000,000
Total	$2,954,000,000

On December 31, 1922, there were 3300 building and loan associations in the State, having resources of $625,865,792, while on December 31, 1925—three years later—there were 4440 associations, having resources of approximately one billion dollars.

The number of institutions under supervision, exclusive of the trust departments of National banks engaged in fiduciary business, and building and loan associations, increased 28.

DUTIES

The great responsibility resting on this department, the extent to which the welfare and prosperity of the community depends on its integrity and efficiency can be estimated only by remembering that it has entire supervision over hundreds of banks, trust com-

panies and building and loan associations and that in the charge of these institutions are the savings of laboring men, the competencies of widows and orphans, the trust funds of educational and philanthropic institutions and much of the working capital of the industry and business of the Commonwealth.

CONDITIONS IN 1923 AND CORRECTIONS 1923-26

For some years previous to 1923, the supervision of the financial institutions under State control was shockingly inadequate. For instance, the law required that each institution should be examined at least once each year Yet there were cases where banks were not examined for 3 years or more. The danger of this condition is apparent. It was increased immeasurably by the fact that the examination given were superficial and quite inadequate to modern banking practice.

This grave situation which seriously endangered some billions of dollars in savings and funds belonging to the people of Pennsylvania was due to 3 causes:

1. Faulty laws which limited by statute the number of examiners and their salaries.
2. Political considerations in the selection and appointment of examiners, resulting in the appointment of some incompetent men and lessening of the morale of the department.
3. A decidedly superficial and out-of-date system of bank examinations.

These conditions have been changed in the most marked manner in the last four years The Banking Act of June 15, 1923 removed the limitations on the number and salaries of examiners. This, operating in conjunction with the Administrative Code and the complete elimination of political considerations in the selection and appointment of examiners has enabled the Department to build up a force of examiners sufficient in numbers, character and ability, to meet its responsibilities.

In this connection the Department has adopted standard requirements for appointment to the position of examiner in the several grades, and has instituted a policy of promotion only on merit.

The work is running fully up to the legal requirement of an examination of each institution at least once a year.

During the year ended May 31, 1923, there were 901 examinations made of institutions under supervision, exclusive of building and loan associations, while during the year ended May 31, 1926, there were 1208 examinations made of the same classes of institutions, or an increase of 477 examinations for the year.

For the year ended May 31, 1926, there were 1015 more building and loan association examinations made than during the year ended May 31, 1923.

And in this connection, it should be remembered that in lieu of the superficial examinations formerly made, all examinations since early in 1924 have been made in accordance with a most thorough, revised and improved method that has been devised and put in operation during this Administration, and which has received the commendation and approval of the National bank supervising authorities, as well as the supervising authorities of many states.

Reports of examinations are now made in duplicate, a copy of each report going to the Board of Directors of the institution examined. In order that the Department may know that they have knowledge of the matters reported by the examiners, the Directors are required to file in the Department a communication signed by each of them, stating that they have examined the report in detail, and answering such criticisms as may be made therein. This practice has resulted in inestimable good. Not only has it materially aided in efforts to get Directors to direct, but it has resulted in a spirit of co-operation between the institutions and the Department that has been helpful to all concerned. This is true of building and loan associations as well as banks and trust companies.

RESULTS

It is safe to say that more embezzlements and Misapplications of funds have been discovered during the past four years than during the entire prior history of the department.

A large number of defalcations were discovered which had existed in whole or in part for many years.

Notable among these were the defalcation of more than a million dollars in the City Bank of York, which had existed in part for from twelve to fifteen years, and the embezzlements and speculations of John A. Bell in the Carnegie Trust Company, which had extended over a period of years, and which ran into hundreds of thousands of dollars. Bell has been convicted and sentenced to undergo imprisonment.

Other embezzlements that had been covered for years and which amounted to considerable sums, but which have been discovered during the past three years, are as follows:

C. A. Emery, Cashier of the Farmers and Mechanics Bank, Honesdale, embezzled $100,000 of the funds of the bank.

C. E. Coover, Treasurer of the Waynesboro Trust Company, embezzled and misapplied $165,000 of the funds of the trust company.

R. Griswold, Cashier of the Citizens Bank of Albion, misapplied some $90,000 of the funds of the bank.

G. G. Trim, Cashier of the West Side Bank, Pittston, embezzled and misapplied $50,000 of the funds of the bank.

H. Rehrig, Assistant Treasurer, and E. Renner, Teller of the Bethlehem Trust Company, embezzled and misapplied $85,000 of the funds of the trust company.

E. P. Buzzard, President of the Bangor Trust Company, misapplied some $125,000 of the funds of the trust company.

Edward Fischera, Cashier of the South Philadelphia State Bank, embezzled and misapplied about $150,000 of the funds of the bank.

A. C. Osburn, Treasurer of the Woodlawn Trust Company, embezzled and misapplied over $200,000 of the funds of the bank.

Victor Doyno, President of the First State Bank of New Castle, embezzled and misapplied over $70,000 of the funds of the bank.

W. F. Sossong, et. al., Officers of a private bank and two building and loan associations at Carnegie, embezzled and misapplied upwards of $200,000 of the funds of their institutions.

Prosecutions have been instituted in all cases of violations of law where the evidence appeared to justify such action, and in most cases the accused is already serving a prison sentence.

The discovery of so many shortages of long standing during this administration has undoubtedly had salutary effect upon evilly disposed bank officers and employees, as the discoveries during the past year have been few compared with those of the three preceding years. Shortages have been discovered that have existed but for a few weeks, indicating that the examiners are doing most thorough work and exposing embezzlements wherever they exist.

The work of the Department is necessarily, to some degree, confidential in its nature, but it safely may be said that many things of a construction nature have been done during this Administration which resulted in the correction of conditions that eventually might have caused reflection upon the entire banking system of the State. As an instance, two score and more of institutions, that were found to be in unsatisfactory condition from one cause or another have been reorganized, supplied with additional capital and rehabilated thus avoiding the closing of the institutions with the hardship, losses and delays that are unavoidable in liquidations.

The State has been divided into four districts and a chief examiner placed in charge of each district, thus centralizing authority in the chief examiners and making them responsible for the work done in their respective districts. This departure from the old system has resulted in greatly expediting the work of the examiners, as well as in improving its quality.

The method adopted by the Department for the administration of estates taken in possession not only effects a saving of many thousand of dollars to creditors, but insures the liquidation of the estate and distribution of dividends in the minimum of time. Under the old method it was the usual practice to appoint as receivers of banks politicans who were paid large commissions, and who liquidated the estates in their own good time. Now a bank examiner, who works under the directions of the Secretary, and who receives only his regular salary, is placed in immediate charge of an estate taken in possession, thus effecting a great saving in expenses and insuring complete liquidation in a minimum of time.

BUILDING AND LOAN BUREAU

Reference has been made to the increase of the number of examinations made of building and loan associations during the present Administration. The marked improvement in the work of the Bureau is deserving of special notice.

As hereinbefore stated, the force of building association examiners has been largely increased by the appointment of men pecularly fitted for their duties, in addition to which a special deputy has been apointed and placed in charge of the work in the Philadelphia district and made responsible therefore. The method of making examinations has been thoroughly revised and improved. Directors are furnished with complete copies of reports of examinations, and the same general practice of "follow-up" obtains in the supervision over building associations that is applied in the supervision of banks and trust companies. As an example of the constructive,

thorough work the building and loan bureau is doing, attention is called to the fact that in July, 1925, seventeen building associations in Philadelphia, the funds of which had been used by the officers who were real estate speculators, were taken in possession. The persons responsible for this condition were prosecuted, convicted, and are now serving prison terms. The seventeen associations were merged into one, all bad assests and losses being eliminated, and possession of these estates was surrendered February 15, 1926, under order of the court.

Probably owing to the abnormal activity in the real estate market in Philadelphia during the past few years, and the large profits the managers of building associations were reaping in the financing of real estate specutations, the number of associations was increased without rhyme or reason. During 1923, 692 associations were incorporated in the State, 613 of which were in Philadelphia.

To stop this unjustified, as well as dangerous increase in the number of asociations, the Governor agreed with the Secretary of Banking not to order the inssuance of Letters Patent for an association until the application had been investigated by him and received his approval. As a result, during 1924 applications were refused by the score; and during 1925 the number of applications dropped to 137, over fifty per cent of which were disapproved. During the current year, applications have been practically nil. No application is now approved unless a real need for the proposed association is shown, and unless the applicants are found to be men of good moral character, reasonable business ability, and who agree not to charge commissions for loans or permti commissions to be charged by any one connected with the association.

This departure from the old practice has resulted in the curbing of an unrighteous, as well as dangerous practice, and has undoubtedly resulted in strengthening the building and loan idea in the State.

BUREAU OF SECURITIES

The Securities Act, or so-called "Blue Sky Law," was approved by the Governor June 14, 1923. The duty of enforcing the act was laid upon the Secretary of Banking. A separate bureau, called the "Bureau of Securities" was established in the Department of Banking and the responsibility of enforcing the detailed provisions of the act placed in the hands of two deputies, whose character and general fitness for their respective duties guaranteed a fearless, honest, efficient enforcement.

The act became effective August 1, 1923. During the first year the law underwent an administrative test. The administration proved to the satisfaction of all legitimate business organizations that the act could be effectively administered without interfering with legitimate business.

Notwithstanding the frantic efforts of every stock crook and security swindler to nullify the act and interfere with the work of the Bureau by undertaking to bring political influence to bear upon those having the enforcement of the act in charge, by appeals to the Dauphin County Court, and every other available means, the State has been almost completely purged of the operations of the fraudulent security dealer, all bucket shops have been eliminated,

and the citizens of Pennsylvania are better protected from the danger of investing in questionable or worthless securities than are the citizens of any other state in the Union.

The record of applications received and registrations granted to dealers and to agents or salesmen during the three years the Securities Act had been in effect up to August 1, 1926, is as follows:

DEALERS

Applications filed—1923-1924	1436
Registrations in effect Aug. 1, 1924	761
Applications filed—1924-1925	1274
Registrations in effect Aug. 1, 1925	754
Applications filed—1925-1926	1159
Registrations in effect Aug. 1926	647

AGENTS OR SALESMEN

Applications filed—1923-1924	6469
Registrations in effect Aug. 1. 1924	2807
Applications filed—1924-1925	4202
Registrations in effect Aug. 1, 1925	2915
Applications filed—1925-1926	2577
Registrations in effect Aug. 1, 1926	2577

The following table shows the record of the Bureau of Securities during the first three years of its operation on a dollar basis:

Par value of applications filed	$1,043,114,500
Par value of applications refused	758,279,500
Par value of applications granted	242,195,000
Par value of applications pending	42,640,000

Thus it will be seen that during the first three years of its existence, the Bureau of Securities not only eliminated the bucket shop and professional stock swindler, but it prevented the offering to the citizens of securities of questionable value, having a face or par value or over seven hundred fifty-eight millions.

During the three years the Securities Act had been in effect up to August 1, 1926, of the 1707 dealers and 6119 agents who had been refused registration, 46 appealed to the Dauphin County Court. In 14 of the cases appealed the decisions of the Bureau of Securities were reversed and one appeal remained undisposed of. Suffice to say in this report that the Bureau, supported by the Department of Justice, contested every appeal to the fullest extent of its power and ability.

It will not be out of place to state here that strong political influence was brought to the support of several of these unsound financial organizations when the appeals were tried. The court was obviously prejudiced. In several cases, the counsel of the opposing side was the son of the judge trying the case. One instance where the court was so partial as to make its decision ridiculous was that of the Templar Motor Company. Not content with delivering a decision in favor of this company, whose assets were shortly sold at auction for about 6 per cent of the value placed on them by the Court, the judge in his decision severely rebuked the

deputy secretary of banking for having "maliciously, libellously and scandalously attacked a worthy enterprise", and sound and bona fide business organization whose president was one of the finest witnesses that had ever been before the Court. When this decision was rendered and the gratifying task of delivering it to the successful contestant in the case faced the judge, it was found there was no one to deliver it to:—the corporation in question having been dissolved in its home state four days before on evidence furnished by the deputy secretary of banking of Pennsylvania.

That the deecisions of the Bureau were sound, is proven by the fact that of the dealers ordered registered by the Dauphin County Court, only three were in busness August 1, 1926.

What legitimate business thinks about the creation and operation of this bureau is shown by the following resolution passed by the Pennsylvania Banker's Association at their 1925 convention:

"Resolved, that we heartily commend the Bureau of Securities at Harrisburg for their courageous and faithful administration * * * that we express our appreciation of the results already obtained in the elimination from Pennsylvania of the fake stock salesmen."

THE INSURANCE DEPARTMENT

Hon. Gifford Pinchot.
Governor of Pennsylvania.
Sir:

I have the honor, herewith, to submit a report on the operations of the Insurance Department of Pennsylvania for the years 1925 and 1926, more particularly with reference to the reorganization of the Department effected during the last four months or since August 16, 1926.

During the fiscal year of the Insurance Department running from June 1st to May 31st the taxes and fees collected by the Insurance Department during the last two years are as follows:

Taxes collected for the year ending	May 31, 1925: $5,025,804.25
Taxes collected for the year ending	May 31, 1926: $5,536,852.65
Fees collected for the year ending	May 31, 1925: $330,114.00
Fees collected for the year ending	May 31, 1926: $303,512.96

Under the Act approved May 17, 1921, P. L. 789, as amended May 6, 1925, Section 220, the expenses of the Insurance Department are paid from the fees collected and the sum of $175,000 from these fees is set aside in each fiscal year in a fund known as The Insurance Department Fund.

The Department at no time has expended its full appropriation of $175,000 in each fiscal year. Its expenditures for the two last fiscal years were as follows:

For the year ending May 31, 1925	$ 90,091.88
For the year ending May 31, 1926	110,949.43

The balances of the unexpended appropriations for each year are merged in to the general fund of the State.

When you honored me with the appointment as Insurance Commissioner of Pennsylvania on August 16, 1926, I, therefore, found a Department well supplied with funds which it had failed to employ in the important work for which the funds had been collected and appropriated. With ample funds in hand, the Department was undermanned, unequipped and disorganized. It lacked even the essential files and indexes to make the records of the Department serviceable.

Much of the data of the Department was dependent upon the personal memories. Several members of the personnel operated as independent units with scant consideration for central control and responsibility. Ninety per cent of the Department's important records were in cellar storage.

The undermanned, unequipped and disorganized Department functioned under these tremendous handicaps only by surrendering a large measure of its authority to departments of other states and to

private agencies which had a personal interest in assuming the State's authority and, in a fashion, discharging its obligations.

Insurance companies, fraternal organizations, benefit associations, and many strange insurance schemes from other states came swarming into Pennsylvania because the Pennsylvania Insurance Department almost automatically admitted any insurance organization permitted to do bussiness by the department of its home state. Any certificate from any insurance department of any state was accepted without question by the Insurance Department of Pennsylvania.

Under these conditions, the Pennsylvania insurance field became so overcrowded that at the end of 1923 Pennsylvania had 1,063 insurance organizations of all kinds as compared with 559 doing business at that time in the state of New York, the largest insurance state in the country and probably in the world. The corrected figures for the year 1926 showed Pennsylvania with 1,079 insurance organizations of all kinds as compared with New York's 825.

It was apparent, therefore, that full advantage had been taken of the weak and acquiescent attitude of the Pennsylvania Insurance Department in admitting any companies endorsed by the department of its home state. This system was immediately abolished on August 16, 1926. Under the present administration of the Insurance Department, all companies applying for admission have been examined by the Pennsylvania Insurance Department independent of any examination conducted by any department of any other state.

The result has been that since August 16, 1926, not a single additional insurance company or association has been admitted to Pennsylvania. Of the seven companies and associations which applied for admission with recommendation from departments of their home state, two were refused admission on account of the fraudulent character of their organization and five were refused admission on account of their financially unsound and unsafe condition which made it impossible for them to qualify under the Pennsylvania insurance laws.

At the same time bars were put up against the admission of new companies and associations, work was also started on a complete survey of all companies and associations doing business in Pennsylvania for the purpose of weeding out the fraudulent and the unsafe organizations which had been admitted under the old loose methods of admission. For the purpose of the survey, it was necessary first to get the records of the Department in such order that they would be serviceable. It was also necessary to have blank forms printed to facilitate the work, and to make it possible to install a new and effective examination and checking system. With the full co-operation of the Department of Property and Supplies, more especially the Bureau of Publications and the Bureau of Standards and Purchases, and also the co-operation of the Auditor General and State Treasurer, all the much needed equipment in files, indexes, furniture and printing was obtained, installed and in operation within thirty days.

All the examiners were then called to Harrisburg and checked up on the companies admitted to the State. The result was that 192 companies and organizations were placed on the defensive. Proceedings have been instituted during the last two months against 55 of these organizations and 28 of the cases have been completed except for court developments.

All of the foreign companies and organizations included in these proceedings had the endorsement of the department in their home state. In one instance the commissioner from a southern state came on to Harrisburg in a vain endeavor to stop the proceedings against one of the most objectionable organizations which he had sponsored and which for several years had exploited the people of Pennsylvania in a most objectionable and deceptive insurance scheme, outlawed even in its home state.

In many cases the company against which action was started by the Insurance Department resorted to injunction proceedings and several injunctions were granted. In two of these cases the Department has taken an appeal to the Supreme Court in the belief that the injunction powers were used improperly. In one specially flagrant case, the Common Pleas Court of Philadelphia County, refused to enjoin the Insurance Commissioner on the petition of an association which feared an examination by the reorganized department. When the injunction petition failed in this case, the desperate men in charge of that fraudulent insurance organization preferred criminal charges against the Insurance Commissioner. The examination, nevertheless, was pressed to completion and the full report on that association has been filed in the Philadelphia County Court for liquidation of the concern which upon examination was shown to have exacted general releases in blank from practically all its policyholders and then, after collecting premiums for months and years from its policyholders, confronted them with the general release when they entered a claim for final settlement.

In nearly all cases where proceedings were instituted to oust unsafe insurance organizations from other states or to liquidate unsafe Pennsylvania organizations, the premium income had been largely dissipated in salaries, commissions or management, expenses, and the organizations were in various stages of insolvency or had impaired their resources so badly that there was little or nothing left for the policyholders.

An unfortunate feature in connection with the insurance organizations, which operated in Pennsylvania until four months ago, was the manner in which they imposed on a mistaken idea of service rendered by the former insurance administration. The former administration, as a matter of office routine, had a form letter which went out to every person inquiring about the standing of an insurance organization doing business in Pennsylvania. The form letter assured the inquiring party that the company or association was licensed to do business in Pennsylvania and had certain assets. These assets frequently looked imposing when they were not balanced against the legal liabilities of the company. How misleading these letters were is illustrated by a case in which the Department vouched for a company with a statement that it had assets in excess of $260,000. This letter was reproduced by the organization in question and used with great effect in securing new victims.

It is true to this day that this organization has assets in excess of $260,000, but still this statement alone and unexplained is grossly misleading and absolutely false, this, for the reason that this organization with assets in excess of $260,000, also has a deficit in excess of $4,260,000, and, therefore, instead of being a sound solvent concern is an insolvent, unmitigated fraud on its policyholders.

The routine letters of indorsement for licensed insurance organizations were,therefore, promptly stopped last August. The Insurance Department will issue no extracts from financial statements but will advise people merely whether or not a company is licensed and will furnish no financial statement except a certified copy of the complete detailed financial statement on file in the departmnt and available to anybody paying the fees fixed by law. As far as possible the use of the old routine letters of indorsement has also been stopped by notice of the offending companies.

As the undermanned and unequipped insurance department before its re-organization very largely surrendered its authority over insurance companies and associations to the department of other states, with more or less fatal results for Pennsylvania, so it entirely abdicated its authority over licensed agents and brokers. Under the law the forty thousand agents and sixty-eight hundred brokers doing business in Pennsylvania are obliged to obtain a license from the Insurance Department after having passed an examination to satisfy the Department as to their fitness to hold an agency or brokerage license. The brokers secure an annual license entitling them to do business through any licensed agent. The agent obtains an annual license for each company he chooses to represent, and in this manner many agents hold ten, fifteen or more licenses. In round numbers there are issued 140,000 licenses annually to the forty-thousand licensed agents in the state. The cumbersome provisions of the law make the agency and brokerage problem exceedingly difficult and perplexing.

The former administration dodged the exasperating and difficult agency problem by turning it over to volunteer associations formed in some fifty of the sixty-seven counties. These volunteer organizations were organized by licensed agents, who, from their number, selected members to serve on co-called Advisory Boards. These Advisory Boards, as soon as they were certified to the Insurance Department were appointed "Special Examiners" and received a certificate bearing witness to their standing as officers of the Insurance Department of the State, authorized to sit as examining boards and pass on the qualifications of applicants for agency or brokerage licenses. At frequent sittings, the agents who were members of the Advisory Boards, would examine applicants and certify to the Insurance Department that they recommend either that licenses be granted or that licenses be refused. With none of the facts before him, the Insurance Commissioner then automatically carried out the will and wishes or whims of the Advisory Boards and, on their word merely, granted or refused a license application. License applicants protested violently against being examined by their competitors in trade and charged that the Advisory Boards showed discrimination and prejudice. License applicants who were refused held that they were not refused for good cause but were the victims of business jealousy. This brought the entire system into dispute.

The worst feature of the Advisory Board system, however, was that in several counties the Advisory Boards representing the State Insurance Department and exercising all its license authority, were composed of agents for the most notoriously unsound and undesirable insurance organizations in the State; companies and associa-

tions against which the present insurance administration has brought ouster and liquidation proceedings.

It mattered not that some of the Advisory Boards in the larger counties were composed of high minded, public spirited citizens. They were laboring under a delusion in believing that their efforts were effective. They could not be effective as long as they were impotent to guarantee the integrity of all the boards in the State. An agent refused a license for good cause by an honest board could, and frequently did, go to an adjoining county and secure a license which was good in any county in the State.

The fundamental error of lending the police power of the State, exercised in the license authority over insurance agents and brokers, to any private organizations was considered vital by the present Insurance Commissioner. Prompt action was, therefore, taken to abolish this system and retrieve for the Insurance Department the authority which it had surrendered in an effort to evade the labor and the responsibility which the authority carried with it.

Under date of September 7, 1926, the services of the Advisory Boards was discontinued and all commissions of the so-called "Special Deputy Commissioners" and "Special Examiners" were re-called. Before the dismissal of the Advisory Boards from the State service, new questionnaires for brokers and for agents had been printed and distributed to all licensed companies with notice that a new agency division and a new brokerage division had been organized at the Harrisburg office of the Insurance Department and that these new divisions would directly accept and act upon all license applications. The new brokerage division in charge of W. H. H. Baker and the new agency division in charge of A. A. Poist, has been acting upon all license applications since September 7th, with less than a dozen appeals from their decisions to the Insurance Commissioner who, in no case, has found grounds for reversing them.

The new system is not perfect. It is an emergency plan for the restoration to the State of its license power. It needs much gradual development and improvement and probably cannot be made entirely effective without helpful legislation as will be further discussed among recommendations made at the end of this report.

At the same time the new agency and brokerage division was organized, a company division also was organized in charge of Mr. Wm. H. Johnson, assisted by the actuarial force of the Department to check up on all new companies seeking entrance to the State and on all new policies submitted for approval by the Department before their use in Pennsylvania. This policy problem is almost as large as the agency and brokerage problem. The more undesirable insurance organizations offer the largest variety of policies which require careful study to determine their relative worth or worthlessness to the policyholders. The number of new policy forms submitted for approval to the Department, averages about twenty a day.

While the reorganization went on to place the department's company, agency and brokerage business on a sound basis, the Insurance Commissioner was obliged to meet an emergency in the investigating division. The Department records showed that hundreds of complaints from policyholders had gone to the Chief Investigator in Philadelphia with no return report ever rendered to the Com-

missioner. The records of the Department also showed that under the directions of the former Chief Investigator the department's investigating service had degenerated into a claim adjustment agency. It appeared from the records that at times the companies and at other times the claimants were brow-beaten into such settlements as the investigating service deemed it fit and proper to countenance. Claims were paid as a favor to investigators or claims were resisted on the strength of the investigators dictum and the Chief Investigator frequently appeared in court as expert witness against policyholders complaining against questionable insurance organizations.

The close contact between claim agents and adjusters for companies and the investigating service of the Insurance Department was so intimate that the investigating service accepted confidential reports from company claim agents reflecting on the moral character and reputation of women claimants and transmitted these libelous and irrelevant reports on the responsibility of the Insurance Department. These scandalous "confidential" reports appeared to have no other object than the intimidation of women claimants.

Under date of August 25, 1926, notice was sent to all department investigators, under penalty of dismissal from the service, to accept and transmit no "confidential" reports reflecting on the morals of women claimants. On the same day, companies were advised that any confidential reports reflecting on the reputation of women claimants would be furnished to the injured woman or her attorney with notice that the Department would assist her in any redress she might seek from the offending claim agent or adjusted. Since that day not a single report reflecting on the morals or reputation of any woman has been received by the Insurance Department, and the declaration of the Insurance Department that "any woman may address it in absolute confidence that by doing so, she will not expose herself to an attack on her character and reputation" has been fully vindicated.

The resignation of the former Chief Investigator was accepted and Harry E. Ritter was appointed Chief Investigator with the Office of the Chief Investigator transferred from Philadelphia to Harrisburg. Under the re-organization plans the investigation service of the Department adjusts and settles no claims. It investigates all complaints without regard for adjustments or settlements and for the sole purpose of establishing a complete detailed and correct record for each company's claim file in the Department. The investigating service is responsible for authentic records of the manner in which licensed companies meet claims as presented. The investigating service compiles these records, not for the purpose of bringing about settlement, but as evidence bearing on the right of a company to maintain its license in Pennsylvania.

The investigating service also renders reports to the Department on agency and brokerage houses against which complaints are filed as bearing on the right of the agency or brokerage houses to retain their licenses.

The false economy formerly practiced by the Department in salvaging large balances from its annual appropriation instead of employing the funds in the service for which they were appropriated,

was grossly illustrated in the treatment of its examiners. It was the rule of the Department that the examiners received their pay only and they were obliged to collect their traveling expenses, their hotel bills and maintenance directly from the companies they examined. Under this abominable system the examiners were dependent on the officers of the companies under investigation for the approval of their expense bills This placed the examiners at an indefensible disadvantage; all the more inexcusable in the face of the large unexpended department balances transferred annually from the State Insurance Fund into the General Fund.

Under the present administration no examiner has collected a dollar from any company under examination or investigation, but all examiners have rendered their expense bills directly to the Insurance Commissioner, and have been reimbursed from the funds placed at his disposal in the State Insurance Fund. The examiners have been entirely independent from all outside influence and have rendered independent, uninfluenced and effective reports.

At this point it should be pointed out and strongly emphasized that the evils which have required correction, have little or no application whatever to the large legitimate insurance corporations generally known to the public. The names of these corporations rarely appear on any of the letterheads reaching the Insurance Commissioner's desk. With a large majority of them he has had no communication whatever during his term of offce. They have had no grievance and no grievance has been entered against them. This refers particularly to our large and well known fire and life insurance companies which pay most of the $5,500,000 annual insurance tax to the State Treasurer.

More than 90 per cent of the Insurance Department's troubles and problems are caused by the companies which pay a very small proportion of the tax, or by the benefit and fraternal organizations which pay no tax at all and do not even pay agents' license fees, although most of them have abandoned the old fraternal system and are working on a high pressure agency commission basis; tax free, license free and very largely law-immune to compete with financially sound, highly taxed, strictly regulated and prompt paying insurance corporations.

Under present cumbersome insurance laws of State, the sound, highly taxed and prompt paying insurance corporations are regulated by a hundred requirements which enter into nearly every detail of their business. Under Section 501 and 502 of Department Act, approved May 17, 1921, P. L. 789, the Insurance Commissioner may proceed against any one of these Pennsylvania corporations for any one of nine different specific causes set forth in these sections.

Only two of these causes set forth in Section 501 apply to foreign corporations no matter how dangerous may be the form of organization under which they operate.

Again under Sections 410 and 411 of the Company Act approved May 17, 1921, P. L. 682, standard uniform policy provisions are prescribed for life insurance po icies. Under Section 410, twelve standard provisions are required which must be included in every policy issued by a stock or mutual life insurance company. Section 411 contains four provisions which must not appear in any

policy issued by any stock or mutual life insurance company for the reason that experience has shown that these four provisions tend to work a fraud on the policyholders.

Both in Sections 410 and 411 appear the exception that neither section shall be binding or obligatory on any "industrial insurance where the premiums are paid monthly or oftener".

This language of the law, with the ominous exception, means that none of the policies on which premiums are collected monthly, semi-monthly, or weekly, the insurance of the poorer class of people who, in case of death, have no other resources than their insurance, are not under the protection of the law.

Included in the standard provisions of Pennsylvania is Provision C, under Section 410 which makes an insurance policy incontestable after it has been in force for two years or more.

The big, sound, highly taxed insurance corporations specializing in industrial insurance have not taken advantage of the loophole in the Pennsylvania law, exempting them from this standard provision on the industirial policies they sell to poor people who pay their premiums monthly, semi-monthly or weekly. They have on file in the Insurance Department, industrial policies, containing a clause which makes them incontestable after they have been in effect for two years, or even one year with some companies. These legitimate insurance companies pride themselves on issuing policies better than the law requires.

But this has not prevented the undesirable insurance organizations from taking full advantage of the loophole in the Pennsylvania law. The illegitimate concerns flourish with immunity from the law and successfully contest policies no matter how long they have been in force. They are able to do this merely because they take care to collect all their premiums on a weekly, semi-monthly, or monthly basis, and, therefore, claim all the unfair advantages conferred upon them by the exceptions in Sections 410 and 411.

The stringent, and in many cases unnecessary, and overburdensome regulations, provided in the law for the big, financially solvent insurance corporations have given the public a false sense of security in the belief that all insurance is insurance. The public is not aware of the fact that most of the cheap substitutes offered for genuine insurance is not insurance at all and is exempt from the laws applying to genuine, sound insurance. Pathetic letters of appeal reaching the Insurance Department, almost daily, make it plain that few people realize the fact that merely by paying their premiums weekly, semi-monthly, or monthly, they have placed themselves beyond the provisions of the insurance laws and are dependent entirely and solely upon the character of the company in which they have insured.

Too late, many of them discover then that they are not insured in one of the big legitimate companies which have valued their business reputation too highly to take advantage of Pennsylvania's incontestable clause. One of the undesirable companies is on record with the Department as maintaining its right under the Pennsylvania law to contest a policy which had been in effect for more than four years. Another company maintained its right to contest a policy which had been in effect for fifteen years.

The alternative of the policyholder in a case like this is to sue. The Company which claims the right to contest at any time under the Pennsylvania law, present their victims with an ultimatum under which they must accept a small settlement or sue. Of course, the poor industrial policyholders cannot sue. The body is in the house. The undertaker will not open the grave without money in hand. A lawsuit will run two or three years through the courts. Naturally the victim of Pennsylvania's industrial insurance policy law accepts $300 or $400 settlement for a $1,000 policy on which premiums have been paid at the $1,000 rate.

The greatest insurance hardship visited on the people of Pennsylvania of today, however, is due to the so-called beneficial societies and fraternal organizations which are almost entirely immune from all the law, restrictions, safeguards and regulations thrown around the business of the sound and solvent insurance companies.

Many of these alleged beneficial societies and fraternal orders are merely thinly disguised, confidence schemes, operated solely for the benefit of the promoters and absorbing as high as 82 per cent of their total premium income in salaries, commissions and management expenses paid to the promoters and their associates. Without paying taxes, without even paying license fees for their agents, but paying merely $20 a year for the privilege of filing their annual statement with the Insurance Department, these frauds have continued the pretense that they are under "State supervision and control" like the big insurance companies and have exploited the poorer classes in the most unconscionable manner. Many of the so-called fraternal organizations maintain only the semblance of a lodge system so that it may claim all the immunities and privileges granted to genuine fraternal organizations.

Under the old theory that fraternal societies maintain lodges and have regular stated meetings to which the members bring their dues and pay their premiums, the fraternal societies were able to make a plausible showing of cheap insurance at cost, with almost no overhead expense for collection or management. The illegitimate fraternal societies have nothing in common with genuine fraternal orders, however, except in their charter and their immunity from the general insurance laws. They maintain an organization of high-priced, high-pressure sales agents, and dissipate most of their premium income in commissions and salaries. They are not required to license their agents or pay the State a license fee, nor tax; and the law, insofar as it intends to compel them to maintain sufficient reserves to meet their obligations to their policyholders, employs the word "may" only instead of "shall", making the discretionary with these alleged fraternities, whether or not they will make proper provisions to meet their policy obligations. Many such fake fraternals have been barred from the state during the last two months and proceedings against several other illegitimate fraternal societies are in the course of preparation.

In a still different class are the fraternal societies which do maintain a genuine lodge system, but are financially irresponsible. Some of these have operated for 30 years or more and have reached that age in which their mortality rate has increased out of all proportion to their cheap insurance rates. Unlike the big solvent, fraternal so-

cieties which many years ago realized the fallacy of not collecting sufficient premiums to provide proper reserves for future maturities, these organizations have pinned their faith on the endless chain theory. They have built on the false hope of always taking in enough young members to balance the high mortality among the older members and have refused to increase their rates sufficiently to place them on a sound, solvent, actuarial basis.

One illustration is sufficient to show the gross discrimination of the law in favor of such unsound insurance.

The Prudential Insurance Company of America, pays the State of Pennsylvania more than $900,000 a year for the privilege of doing business within the State. It writes industrial insurance policies, incontestable after one year, and mantains adequate reserves to meet all its obligations, subject to all the requirements and restrictions of the law applying to mutual life insurance companies.

The Woodmen of America pay $20 a year to the State for filing its annual statement and pay no other taxes or fees of any kind, while competing with the highly taxed Prudential Insurance Company for the industrial insurance business on rates so low that its own financial statement showed only 55 per cent solvency when its license was revoked on December 2, 1926. This organization has taken an appeal to the Dauphin County Court from the Insurance Commissioner's decision and the position of the Insurance Commissioner, in this, as in other similar cases, is that to issue policies and collect premiums on a basis which does not maintain the organization in sufficient funds to guarantee its actuarial solvency and ability to meet its policy obligations, constitutes a fraud on the insuring public.

In other fraternal organizations which for years maintained the fallacy that their inadequate rates were sufficient and that new and young members would take care of the ever-increasing mortality among the older members are today endeavoring to increase their rates to place themselves on a solvent basis. In these organizations which are making belated efforts to undo the harm they wrought for many years by preaching against sound, legitimate insurance principles, the unhappy members are facing a problem to which there is practically no solution. The rates necessary now to place the old deluded members on a solvent basis are so high that they are practically beyond their means. They no longer have the earning capacity of their younger years and are left only the choice of somehow or other to raise, or borrow the money for the exhorbitant rates required from them at the age of sixty-five or seventy, or accept a reduced policy which furnishes them little, or no insurance protection. They are no longer able to purchase sound insurance from legitimate insurance companies and in most instances are obliged to permit themselves to be segregated in a class in which the amount of insurance they may collect is dependent upon the amount of assessments that can be collected from members in the same class, at the same age, situated in the same unfortunate position as themselves.

This is an insurance emergency which reaches into every county of the State where thousands upon thousands of families are victims of the declusion under which fraternal insurance societies were exempted from complying with the laws regulating insurance and mak-

ing an insurance policy something more than a scrap of paper, subject to reduction or repudiation by a "supreme", "exalted" or "grand" board of governors, under by-laws prescribing signs and passwords, instead of rates and reserves.

This emergency calls for legislation to compel insurance organizations of whatsoever kind or character to conduct their business along sound insurance principles. It calls for an end to the indulgence which has been granted to all kinds of heretic insurance theories, which, by their fallacies, have deprived thousands upon thousands of our people of proper insurance protection by diverting them in their younger years from sound insurance to bankrupt insurance schemes and leave them naked to the world in their old age.

Pennsylvania's four insurance laws might profitably be exchanged for one law, covering all forms of insurance, by compelling all to live up to sound insurance principles, under standard policy provisions and on the basis of absolute solvency. The State would be served better by one insurance law interfering as little as possible with the legitimate insurance business and making it as difficult as possible to organize or operate any insurance scheme, not complying with the laws applying to legitimate insurance. This would be a vast improvement on four insurance laws as we have them to-day, with cumbersome regulations, for the legitimate insurance business and every possible accommodation, exemption, and special provisions for those who cannot, or will not, comply with the laws regulating sound insurance.

Insurance should be insurance, just as banking is banking. Nothing else can take its place or meet the needs of our people for insurance protection. Permit me to submit one final illustration of this point from the records of the Insurance Department.

In Philadelphia, lies a young man, crippled and helpless for life. He will never raise himself from his cot. He was struck down by a motor truck. The owner of the motor truck carried insurance, or believed he carried insurance. What he, in reality had, was an indemnity contract, under which the insurance company in question was obliged to reimburse the insured only to the amount which he was obliged to pay to the insured party. Under such indemnity contracts payments are always resisted to the utmost. It was so in this case.

The young man whose health had been destroyed was obliged to sue. He was carried into court on a stretcher and the courts of Philadelphia County awarded him judgment in the amount of $30,000.

The Insurance company insisted upon an appeal This appeal called for a bond in double the amount of the verdict, or $60,000. The insurance company which was liable up to the amount of $10,000 offered to enter bond in the amount of $20,000 and called upon the insured motor truck owner to furnish the balance of the bond, in the amount of $40,000. The motor truck owner could not furnish this amount of bond and pleaded that if judgment was entered against him, he would go into bankruptcy. The insurance company then called attention to a clause in its contract under which it was entitled to the full co-operation of the insured in resisting any suit brought against the insured under which the insurance company might be liable. It claimed that this clause had been violated and,

therefore, denied all liability under its contract and withdrew from the case.

At this point of the case the motor truck owner claimed insolvency and the injured party now becomes a general creditor of a bankrupt estate, with no chance whatever of collecting his judgment.

No case in the records of the Insurance Department, more forcibly proves that indemnity contracts are not insurance and should not be permitted to compete in the insurance field without a safety clause admitting liability on the part of the indemnity company regardless of the insolvency of the indemnified party. Most of the reputable indemnity companies have now such a safety clause in their policies and the legislative body, therefore, would be well justified in making it compulsory.

No revision of the insurance laws of Pennsylvania would be complete, however, or entirely salutory, unless it also dealt with the chaotic and perplexing agency problem. Pennsylvania has suffered much from agency control. A majority of the companies doing business in Pennsylvania are domesticated in other states and are represented here merely by agents. Agency organizations, coupled with agents' control of the State's license system, made the agent the dominant factor in the insurance business in Pennsylvania. The dominant motive of this dominant factor was business-getting, and business-getting appears to be the principle concern of the Pennsylvania insurance laws of to-day which concern themselves more with petty jealousies between rival business getters than with insurance protection for the public.

In Pennsylvania insurance, the tail, for years, has wagged the dog. The normal, natural, relations between master and man have been reversed. The agency man has dictated to the master company. Only recently, there has been a healthy movement on the part of the companies to assert themselves in their rightful and orderly place as masters.

This healthy movement might well be recognized and assisted by proper legislation for the benefit of the insurance business as much as for the benefit of the general public.

The entire present license system might well be abolished and supplanted by a license system recognizing the natural and proper instead of artificial divisions of the insurance business. The multitude of license requirements of to-day renders the license system absurd and ineffective. Under a simplified license system, I would suggest that the natural divisions of the business be recognized as follows:

1. Company license issued annually to all domestic and foreign companies, associations or organizations of any character or description, issuing, selling, or offering for sale, any policy or certificate of insurance.
2. Insurance dealers' license, issued annually to all persons, firms, or corporations engaged in business for themselves with established business addresses to sell or offer for sale any policy or certificate of insurance issued by any company licensed to do business in this State.
3. Agent's license issued annually to any person not engaged in business for himself but acting only as an

agent in the employ on an insurance company or an insurance dealer, in the sale of any insurance policy or certificate offered by the company or the dealer for whom the agent is licensed.

In conclusion I beg to acknowledge the splendid cooperation I have had from all other State departments and from the entire staff of the Insurance Department as demonstrated by the fact that the complete re-organization has been affected with the dismissal of only one person from the service. The entire department staff, not merely submitted to re-organization, but entered into the work with zeal and enthusiasm which showed a genuine desire to render service.

I should be remiss without proper acknowledgment to my predecessor in office. In the finest possible spirit, he has not only put no stones in my way, but actually has left no stones unturned to facilitate my work of re-organization with his many years of technical knowledge. The generous and helpful attitude of Samuel W. McCulloch has been well reflected in the loyalty of his old organization to its new chief.

Finally I beg you to accept, not as coming from me only, but as coming directly and wholeheartedly from the entire staff of the Insurance Department, its genuine appreciation of the magnificent and inspirational support you have given us all in restoring the Insurance Department of Pennsylvania to its proper place of importance in the service of the Commonwealth for the genuine insurance protection of its people.

Respectfully submitted,

EINAR BARFOD

Insurance Commissioner

THE GAME COMMISSION

Pennsylvania is now the best game state in the Union. Four years of intelligent stocking, furnishing of adequate protection to our wild life from their natural enemies and providing food and cover for game during the winter season have resulted in conserving our supply of wild birds and animals and in furnishing the best sport in recent years to the 500,000 hunters who annually take to the field during the open season.

At least a part of the improved conditions has been due to a general revision and codification of the game laws. In 1923, a new game code was adopted. It simplified the old laws which were scattered all through the statute books, made changes to meet the demands and needs of our modern day sportsmen, and repealed 57 acts that were useless or antiquated. The present code is a model of clarity and simplicity and has been pronounced one of the most comprehensive game codes by other states which have copied it.

STOCKING

During the past four years, game has been stocked in the State as follows:

Elk	6	Hungarian Partridges	3,962
Deer	165	Varying Hares	5,521
Beaver	28	Raccoons	19
Wild Turkeys	207	Cottontail Rabbits	157,072
Ruffed Grouse	271	Fox Squirrels	551
Ringneck Pheasants	35,237	Grey Squirrels	391
Bobwhite Quail	13,497		

It has been increasingly difficult each year to obtain game for stocking as other states realize that Pennsylvania has attained her present position by protection, and they are not permitting exportation of game. Conservation of this State's natural supply is therefore imperative and the sportsmen are in hearty accord with the policies of the Board in shortening seasons and fixing bag limits.

On account of the difficulty in obtaining bobwhite quail in sufficient numbers to stock the state, and due to the fact that these birds are not particularly adapted to northern sections, investigations were made in the hope of finding a suitable substitute. As a result nearly 4,000 Hungarian partridges were imported and liberated during 1925. These birds are very hardy, perfectly able to stand our hard winters, and are nearly twice the size of native bobwhite quail. They live on seeds, left over grain and insects, and in winter can subsist on any green vegetation, even going to the extent of burrowing through the snow. Living in proximity to the woods, they readily take to cover when flushed. Reports on propagation of these birds are very optimistic, many coveys of young birds being found, and it is believed they will fill a long felt want. Arrangements have been made for the purchase of 4,000 additional Hungarian partridges.

PROTECTION

The Board of Game Commissioner was authorized, under the new code, to extend or reduce seasons and bag limits on game and fur-bearing animals whenever it was found necessary for the protection of individuals or the animals themselves. Acting under this authority, the Board shortened the 1926 season on grouse, ringneck pheasants, rabbits and hares, and closed the season entirely to the killing of wild turkeys and Hungarian partridges.

It has been observed by the Board that where certain counties were closed to the killing of any species of game, open sections of the state were overrun by hunters from the closed counties. The closing of individual counties therefore in no way tended to conserve the game supply. In fairness to all concerned, and as absolute protection, it was agreed that counties should not be closed individually, but that where it was necessary to protect any of our game birds or animals, the entire state should be closed.

The deer law was changed, giving protection to all spike bucks. The benefits of this law are already evident, inasmuch as the classification of the animals killed during the past season shows a material increase in bucks with larger antlers.

It was found that several native birds which had previously been considered obnoxious were near extinction, and legislation was secured placing these birds on the protected list.

During the abnormally dry season of 1924 the Governor, taking advantage of the rights conferred by an act of the Legislature, closed part of the state to hunting for several days in the early part of the season. While rain eliminated the necessity for continued closing, the proclamation brought the attention of the the entire state to the realization of the forest fire hazard and the care which must be exercised. Hunting camps throughout the state held meetings, fire committees were appointed, and arrangements made to work with state officials for fire protection.

FURNISHING FOOD

Owing to the changes in natural food and cover conditions throughout the state, it has been necessary to make arrangements to artificially feed many game birds and animals. During the year 1925, more than 650 acres of different kinds of grain were planted in rural sections for the use of wild creatures, and an attempt was made to thus keep some of the animals from trespassing upon farmers' lands. While these efforts have been well worthwhile insofar as the feeding is concerned, satisfactory results have not been obtained in keeping deer from trespassing on private property. A game food nursery has also been established for the purpose of providing proper food for wild life; cherry, dogwood, mountain ash, viburnum, walnut, hickory, oak, et cetera. These, when sufficiently grown, will be planted in refuges and at other advantageous places throughout the state.

Large quantities of salt were placed throughout the territory inhabited by deer in order that they might be induced to stay away from farmlands where they apparently encroached for the purpose of securing it. This effort has to a considerable extent been successful.

For the past three years contests for which prizes were awarded by members of the Board, have been conducted in the elimination of vermin and the planting of beneficial trees and shrubs by the Refuge Keepers. Competition has been keen and much benefit has resulted from this competition. Thousands of trees have been planted and a large number of noxious animals removed.

GAME REFUGES

The Commission owns 92,588.12 acres, the total cost of which was $283,439.02. Of this amount the Board has, during the present administration, contracted for the purchase of 43,606 acres, of which 37,606 acres, at a cost of $136,299.04, have been conveyed to the Commonwealth, the title to the balance not yet having been passed.

Game in great quantity takes advantage of these protected areas and it is interesting to note that the animals and birds realize the fact that when inside the wire they are safe. Numerous instances can be cited where deer and bear, while being pursued, immediately stopped flight upon reaching the safety zone. The use of dogs or firearms is prohibited within the enclosed area, and each refuge is protected by a resident keeper.

There are 35 regular game refuges. Twenty of these are on State Forests, 12 on lands owned by the Commission and 3 on lands leased for that purpose.

It has been found, however, that sufficient protection has not been afforded small game, and the law allowing the Board to establish auxiliary refuges on lands leased for that purpose is being utilized to the limit. This law proves of great interest to the sportsmen as these auxiliaries are surrounded by land which is open to hunters who might otherwise have to seek permission to hunt on private lands.

Thus far 66 of these auxiliary refuges have been established, 59 of them coming under the present administration and containing 86,416 acres, of which 76,039 acres are open to public hunting. As funds will permit, others will be procured.

Lands for auxiliary refuges are leased for a period of ten or more years, no taxes or other compensation being paid for their use. The tracts are given adequate fire protection, and the Board has appointed deputies who make special efforts to reduce vermin, prevent hunting on the enclosed area, see that the fire lines are kept clear, and use the utmost precaution to see that all the laws and regulations are observed.

CHANGES IN LAWS

In addition to the several changes in the game laws already mentioned, the following are of particular interest to sportsmen and landowners:

The amount of money to be returned to sportsmen who have killed protected birds or animals in mistake and have been "fined" therefor has increased 100 per cent. This change has been of direct benefit to the sportsman who wants to play fair. He feels more like acknowledging his error under the present regulations.

Approval was given for the erection of deer-proof fences whereby the Board was permitted to furnish wire and staples for such

fencing, the owner of the land furnishing the posts and labor necessary for the erection of the fence. This feature has been taken advantage of in numerous cases as the landowners felt better able to erect fences on this basis. During the last four years, 11,483 rods of fence have been furnished.

The trapping laws were clarified and a law passed requiring trappers to mark their traps with tags giving the names and addresses of the owners in plain English, and making it necessary for the traps to be visited every thirty-six hours.

The Board was also authorized to remove game responsible for damage to farm lands by special open seasons.

SPECIAL SERVICES

Questionnaires were sent out to landowners throughout the state asking for names and addresses of people who would care for sportsmen in the various hunting sections during the hunting seasons. Many people responded and the resultant information has been utilized by a great number.

This Board has been particularly insistent on bringing to justice careless hunters who have jeopardized the life or caused the death of another hunter, and is doing its utmost to make the woods safe.

One of the most interesting phases of the activities of the Board has been the presentation of educational pictures taken by our own representative, depicting various features of the work. One of the reels, "Sportsmanship vs. Vandalism" was made for the purpose of showing the results of carelessness on the part of the sportsmen while hunting on farm property. The Board has been interested in securing better cooperation between landowners and sportsmen and this picture has done much to improve these relations.

"Black Bear Hunting in Pennsylvania" shows not only the sport of the chase but also depicts stocking operations which are conducted at various places throughout the state.

The reel on the white-tailed deer has been well received by the public as it shows different traits of these beautiful creatures and also the work entailed in trapping and releasing deer for stocking purposes.

The pictures on the "Haunts and Habits of the Beaver" were secured only after great effort, and this reel is probably the best in existence showing the habits of these animals.

REORGANIZATION

In June 1923 radical changes were made in the budget and accounting systems of this Board which have proved of inestimable value. Forms have been simplified and standardized, and the various reports made more explicit and comprehensive.

During the past four years both the office and field forces have been reorganized. The establishment of the Bureaus of Refuges and Lands, of Protection, of Vermin Control, and of Research and Information sub-divides the office work, each Bureau having its specific assignments.

During the past three years field conferences were held in which all the employees of the Board participated. These conferences were for the purpose of educating the field men in handling various

phases of the work, and have proved well worthwhile. At these meetings, lectures by prominent conservationists and sportsmen, examinations and discussions gave the men an ample opportunity to clear up any obscure phase of the work, and thereby the efficiency of the field force has been greatly increased.

In order to further raise the standard, a form of written examination was inaugurated covering various subjects, and an age limit was established of from twenty-five to forty-two years in selecting men to represent the Board in the field. These features bring to the organization a much higher class of men who are not only better fitted mentally but better equipped physically to carry on the duties assigned them.

IMPORTANCE OF THIS WORK

There were 525,045 hunters to whom licenses were issued in 1925, 521,855 resident hunters and 3,190 non-residents. During the same season, it has been estimated that the game kill of this state amounted to 5,489 tons with an approximate food value of $5,000,000.

Figures from various sporting goods firms, ammunition companies, and others indicate that about $15,000,000 is spent annually in his state by hunters.

The benefits in health and happiness to the hunters themselves cannot be estimated in dollars and cents. Hunting unquestionably ranks high among the sports that promote a better citizenry.

THE BOARD OF FISH COMMISSIONERS

Propagation, distribution and protection of fish in our streams reached a new high water mark during this administration. During the four years, more than 1,120,000,000 fish of every species were turned loose in the streams of Pennsylvania by the Fish Commission.

Moreover, the number of fish distributed annually has more than doubled during the four year period. In 1923, a total of 168,955,512 were distributed while for the first eleven months of 1926, the fish commission distributed a total of 326,647,542.

This program of stream stocking combined with a general revision of the fishing laws has resulted in better sport for the anglers of Pennsylvania.

During this Administration the Department of Fisheries was completely reorganized by creating a Board of Fish Commissioners. composed of seven members and a Commissioner of Fisheries, who is President and Executive Officer.

Much credit should be given to the Board for the splendid work they have done for the fishermen and the time and attention that they have given to the work, often sacrificing their personal interests for those of the fishermen.

Under their direction a monthly Financial and Production Statement was issued which met with immediate approval. Changes were made in the propagation and distribution of fish and a definite policy outlined.

There was a marked increase in receipts from the Resident Fisherman's License. The receipts from the Resident Fisherman's License for the year 1923 amounted to $214,392 and for the year 1925, $250,-873. Nineteen twenty-six will show a subtantial increase in both production and receipts.

The signal accomplishments in the interest of fish production and for the special benefit of the angler fall into two groups:--

1. The Fish Code formed by simplifying and codifying existing law. There were also several changes encouraging propagation and further protecting fish. This Code has received commendation as one of the best pieces of fish legislation ever enacted. It conserves the fish in Pennsylvania waters with the minimum of restriction on the angler.

2. The Board enlarged its program of activities along the following lines:-

Propagation and distribution of fish.

Extensions at present hatcheries.

Purchase of new hatcheries.

Protection of the streams and waters in which the public are allowed to fish.

Public information.

LEGISLATION

In addition to a careful survey of the needs of the fisheries, a conference was held with the fishermen before drafting the new bills and formulating the Fish Code. Noteworthy changes are:--

LICENSES

Reduction of the age limit under Resident Fisherman's License from 21 to 18 years in 1923 and from 18 to 16 years in 1925. This gives better control over the fishermen between 16 and 21 years as licenses can be revoked for violations. The fee ($1.00) is small but the payment of it by this group has increased the revenues of the Board from $203,061 in 1922 to $250,873 in 1925.

Reciprocal licenses for non-resident fishermen, the fee in no instance to be less than $2.50. The former fee was $5.00 regardless of the charge made to Pennsylvania fishermen in the non-resident fisherman's home State. This caused much dissatisfaction.

COMMERCIAL FISHING REGULATED

Restricting all inland water fishing to two rods and two lines and one hand line with not more than 3 hooks attached to each line does away with the issuance made mandatory on the Board in 1919 of permits for such special devices as outline, gig or spear, fish basket or eel rack, fyke net, dip net, burr hook and loop or snare. The yearly catch from these is estimated at 500,000 pounds. Their further use on this scale would have made it impossible to keep our streams stocked with fish and would have robbed the individual angler of this catch.

Creel limits on all species of fish except eels.

Reduction of creel limits on all species of fish.

Mesh of nets for commercial fishing increased.

Commercial fishing License Fee on Lake Erie increased 100 percent for the resident citizen and double the amount for the non-resident. While commercial fishing on any large scale in our inland waters is impractical without eventually destroying the stock, Lake Erie, can and does contribute a valuable food supply in fish its total value for 1925 was more than $500,000. This supply can, however, be maintained only by artificial propagation and constant stocking. As this is done by the State in cooperation with neighboring states, the Federal Government and Canada, a reasonable charge to commercial fishermen who benefit by it is only just.

SEASONS SHORTENED

Shortening of the season on bass, pike-perch, pickerel, muscallonge, etc., closing on November 30th instead of December 31st.

Regulations provided whereby the Board established a closed season for commercial fishing from December 16 to March 1.

COOPERATION

Concurrent legislation concerning the Delaware between the states of Pennsylvania and New York.

ARTIFICIAL PROPAGATION LICENSES

Artificial propagation license for trout and bass increased from $10.00 to $25.00. This applies to the large commercial hatcheries, of which there are eight in the state, having a gross output valued in excess of $100,000.

Artificial propagation license for raising other species of fish reduced to 50 cents. This will stimulate fish raising by the farmer, giving proper protection by law. The Board supplies certain species under fish cultural applications.

The Board has assisted many land owners in the construction of their ponds and furnishes certain species of fish. A new bulletin is expected to be available by the first of the year. Those who construct ponds out of waste land find they are not only a source of food for themselves but can be developed to the point where a considerable amount of fish could be sold.

FIELD SERVICE

It is a well-known fact that if it were not for the artificial propagation of fish it would be only a matter of a few years before this valuable food supply would be exhausted. The many questions which enter into this branch of the work come under the field service, and are in direct charge of the Commissioner of Fisheries. There are many problems to be solved and the Board always bears in mind that it must supply fish not only for the sport of the angler but also for keeping up a very important food supply.

Provision is made by law that all revenues in excess of the sum of $400,000 in any one year be used, with the consent of the Governor, for the purchase of lands and waters and for the impounding of waters to be used by citizens of the Commonwealth for fishing and forestry purposes.

PROPAGATION

Practically all fish now reared at the State hatcheries are held until they attain a size where they will be able to care for themselves when placed in the streams. All trout shipped range from 4 to 10 and 12 inches; bass 2 to 6 inches; sunfish 1½ to 5 inches and catfish 1½ to 8 inches.

DISTRIBUTION

During the year 1925 the Board distributed 326,668,270 fish to the streams and waters throughout the Commonwealth in which the public are allowed to fish, having a value of $363,118.07.

In order to provide a well-balanced distribution of fish, a survey of the streams and waters of the Commonwealth is being made. All waters are being classifield as to area, depths, specie of fish, aquatic life, general conditions, etc. When the survey is completed information will be at hand showing the carrying capacity of every lake or stream, and what the production of fish should be to adequately stock all waters.

EXTENSIONS AT PRESENT HATCHERIES

Construction work has been completed at the Pleasant Mount Hatchery consisting of Hatching House No. 2; two large propaga-

tion ponds; numerous rearing pools and additions to the large storage dams. This Hatchery now has a water area of approximately 300 acres. Much is being done here toward the propagation of black bass.

Eight new ponds were constructed at the Corry Hatchery and eight flowing wells drilled, which doubles the water supply and increases the hatchery output forty percent.

The retaining ponds at the Torresdale Hatchery were all rebuilt of concrete and this hatchery is now capable of hatching and distributing many additional fish.

Seven new concrete ponds were constructed and a wall for a large dam finished at the Bellefonte Hatchery. When the remaining work is completed the output will be materially increased.

PURCHASE OF NEW HATCHERIES

Four members of the Board were appointed on a Hatchery Committee to survey sites for additional hatcheries so that the output of fish could be increased more adequately to meet the demands of the fishermen. During December of 1925 the Board purchased and paid for a hatchery site, the Reynoldsdale Hatchery. This will be a trout hatchery and will greatly assist in taking care of the south western and south central sections of the State.

With the new site recommended at Tionesta and another under consideration in the southeastern section the Board's distribution in the near future will be greatly increased.

PROTECTION

REGULAR WARDENS

The protection of the streams and waters in which the public is allowed to fish is one of the major functions of the Board of Fish Commissioners and should be well manned in order to properly patrol all waters. At no time have funds been available for the employing of more than eighteen regular wardens and two enforcement officers. When it is considered that there are sixty-seven counties in the State of Pennsylvania, the great handicap under which the Board has been working can be readily understood.

Owing to the advent of the automobile and good roads, the work of an officer has greatly increased as the opening of each fishing season finds many more fishermen on our streams. Streams which were rarely touched a few years ago are now fished continually during the season. Owing to the small number of wardens, it has been necessary to assign them to different districts and have them patrol as many streams as possible, moving from one section to another. It has been found that the patrolling of the most important streams during the opening has a good effect in the community and has a tendency to keep down violations. In addition to their regular duties, these men are making a survey of all the streams and waters, to be used in connection with the distribution of fish.

Besides the work of the officers on the inland waters, the Board maintains a tug, the Commodore Perry, which patrols Lake Erie continually during the seasons in order to enforce the laws governing fishing between the different States and the Dominion of Canada.

ADDITIONAL OFFICERS

Eight additional regular officers have been appointed and regulations have been adopted covering the appointment of special officers so that their services may be of the greatest benefit to the fishermen.

INCREASED EFFICIENCY

The work of the regular fish wardens and that of the special officers has, during these two bienniums, been so effective that the total amount of fines collected in 1924-26 is far in advance of that of 1922-24. For 1922-24 the total amount of fines collected was $20,885, while for 1924-26 $32,447.35 was collected.

PUBLIC INFORMATION

BOARD'S ACTIVITIES FILMED

An accomplishment which will mean much to the Board of Fish Commissioners from an educational standpoint was the completion of a series of motion pictures, showing the present hatcheries, the propagation of the brook trout, the yellow perch and the commercial fishing industry. These pictures have been receiving much favorable comment and a representative of the Board has been filling three and four engagements a week in different sections of the Commonwealth where these pictures are being shown to the different Associations and organizations interested in the propagation of fish. The following reels are available:

1. Two reels showing the physical properties of the board.
2. Four reels showing the propagation of the brook trout.
3. Three reels showing the propagation of the yellow perch.
4. Five reels showing the commercial fishing industry.

COOPERATION WITH THE SANITARY WATER BOARD

The Administrative Code transferred the administration of the pollution clause of the fish laws to the Sanitary Water Board created by the Code. Upon request of the Sanitary Water Board, field agents of the Board of Fish Commissioners, in connection with their regular duties, have traversed the streams and waters in fifteen counties and made reports for the consideration of the Sanitary Water Board in designating streams as Class "A". They have also made inspections and reports for the use of the Sanitary Water Board in 612 cases of stream pollution detrimental to fish life and re-inspected 286 cases, and through cooperation with industries have secured abatement in 143 cases of pollution.

A resolution was adopted by the Water and Power Resources Board at its meeting held August 21, 1923, providing that all dams constructed for water power and manufacturing purposes be opened to fishing under such rules and regulations as may be promulgated by the permittee with the approval of the Board of Fish Commissioners. This does not apply to dams constructed for impounding waters for domestic purposes.

STATE ATHLETIC COMMISSION

The efficacy of State regulation of boxing and wrestling has been definitely established during the three years that have elapsed since the commission was first organized.

Boxing and wrestling are now honestly conducted. The gamblers have been driven from control and the sport loving public has been given a square deal. Moreover, both sports have enjoyed the most prosperous years in their history in Pennsylvania, while the operation of the Commission has enabled the State to realize $198,500 in its fund for memorials for Pennsylvania's war dead in France.

Since the organization of the Commission on October 12, 1923, a total of 10,049 persons have been licensed, while 1603 boxing and wrestling shows have been staged throughout the State. Starting with an empty treasury, the Commission has collected $328,500 from which the operating expenses of $130,000 have been deducted leaving a surplus of nearly $200,000.

Every possible protection has been thrown around the contestants in boxing and wrestling. A physician is always in attendance. The result is that among more than 16,000 contestants there has not been a serious injury in either sport since the establishment of the Commission. Boxers and wrestlers have learned that they must put forth their best efforts in Pennsylvania with the result that the fake fight, once prevalent in Pennsylvania, has disappeared.

Regulation by the State has brought higher types of managers and promoters into the boxing game in Pennsylvania and has won the confidence of the public generally. The best proof of this fact was afforded by the Dempsey-Tunney fight in Philadelphia last September which not only attracted the largest crowd that ever attended a boxing match in this country or elsewhere but also netted the promoters the largest gate receipts ever realized on a sporting event in the history of the United States.

A total of 140,000 persons paid $2,000,000 to see this match. The manner in which the bout was handled won the praise of the entire country as was evidenced by the hundreds of commendatory letters received immediately after the fight. Incidentally, the State received $86,169.70 as its share of the proceeds.

At the present time, the commission is operating under a plan whereby the State is divided into three districts with a boxing commissioner in charge of each district. The commissioner makes all assignments, sees that the rules of the sport are observed and that the State receives its tax. So well have the boxing matches been conducted that it has not once been necessary for a promoter to summon outside police aid since the establishment of the commission.

Thus, the State Athletic Commission has protected the promoter, the contesant, the public and the State in every manner contemplated in the Act creating the regulatory body. Boxing and wrestling have been re-established as good clean sports on a par with baseball and football.

DELAWARE RIVER BRIDGE COMMISSION

Operation of the Delaware River Bridge between Philadelphia and Camden, linking the States of Pennsylvania and New Jersey, has proved most successful during the six months since the opening, July 1st, 1926.

The estimates made by the engineers of the proceeds to be derived from the collection of tolls have been shown to be ultra-conservative. The engineers predicted that six million vehicles would cross during the first year. Within six months more than four million cars have crossed, yielding a revenue of approximately $1,100,000. There is every reason to believe that eight million, instead of six million, vehicles will cross the bridge during its first year.

Moreover, the expenses of maintaining and operating the bridge at its highest efficiency have been less than was estimated. This has been most encouraging. The Commonwealth of Pennsylvania will derive a sum of $230,000 as its share of the net proceeds from the collection of tolls for the period of six months.

If the Legislature, meeting in special session in 1926 and acting upon the recommendation of the governor, had not wisely repealed the "free-bridge" enactment of the preceding year, the Commonwealth of Pennsylvania would not have received any revenue from the bridge. It is also doubtful whether the bridge would have been opened yet. Without tolls the expense of maintaining the bridge would have proved a burden to the City of Philadelphia and undoubtedly there would have arisen a demand that the Commonwealth share in this expense.

Gratifying as the financial showing has been, it is even more pleasing to see the manner in which the public has paid tolls. Not a complaint about the charge has been made to the bridge management. Motorists, who contribute most of the revenue received at the toll gates, pay cheerfully, realizing the fairness of the policy that those who benefit most from this $37,000,000 improvement should pay the cost thereof. It would be utterly unfair to the taxpayers of Pennsylvania living hundreds of miles from Philadelphia to impose upon them the capital cost and running expenses of this bridge.

Before the bridge opened, an estimate was made by the engineers that the net revenues repaid to the Commonwealth of Pennsylvania, the City of Philadelphia and the State of New Jersey would free the structure from tolls in nineteen years. The public response has been so great and the tide of traffic across the structure is running so high that this time will undoubtedly be materially shortened.

The bridge has been a credit to this Commonwealth. Construction was directed and the bridge is now operated by the Delaware River Bridge Joint Commission, which has functioned ably and well. To the credit of these members it may be said that the structure was thrown open to traffic three days ahead of schedule time. This opening came at the busiest motoring season of the year and the peak of the year's traffic was reached during the first week. This traffic was handled without interruption and the fact that each motorist paid

toll neither lessened the attraction of crossing nor caused confusion and delay.

It might be interesting to observe that this is one public project wherein no special privileges are given. There are no free passes except that United States Government vehicles bound upon strictly Government business are by Federal law exempted from the payment of tolls. Every member of the Joint Commission pays. This example has had a most beneficial influence and has chilled the enthusiasm of the most hardened seekers after free passes.

The Commonwealth of Pennsylvania has appropriated $10,784,662 as its share of the bridge cost. There is a possibility that may not be required. By its policy of guarding expenditures most closely, the Joint Commission has effected economies which will undoubtedly be reflected in the final balance sheet.

The Commonwealth, of course, will be repaid in full for the amount invested with interest.

The bridge will have cost the Commonwealth nothing. This is a great public improvement which pays for itself.

REPORT

OF THE

EXECUTIVE COMMITTEE

OF THE

COMMITTEE OF SEVENTY-SIX

SUGGESTING CHANGES IN

ELECTION LAWS

REPORT OF EXECUTIVE COMMITTEE OF COMMITTEE OF SEVENTY-SIX, SUGGESTING CHANGES IN ELECTION LAWS

Honorable Gifford Pinchot,
Governor of Pennsylvania,
Harrisburg, Pennsylvania.

Sir:

As requested by you, the Executive Committee of the Committee of Seventy-six respectfully begs leave to submit to you a final report.

The Committee of Seventy-six, a non-partisan body, was created to suggest means for preventing a repetition of the election frauds in Philadelphia, Pittsburgh, Scranton and elsewhere which in the Fall of 1925 shocked every decent citizen of Pennsylvania and disgraced the State.

It studied the defects in our present statutes regulating the nomination and election of candidates for public office, and after the most serious consideration called upon you to recommend to the Legislature for immediate adoption twelve measures which it believed would render election frauds both more difficult and more dangerous.

You called a special session of the Legislature in January 1926, and all of these measures were introduced. None of them was adopted, although one of the proposed constitutional amendments, —that relating to the use of voting machines,—was initiated in a modified form.

The necessity for all of the measures which we recommended was doubly proven at the Spring primary and the Fall election held this year.

Fraudulent registrations, fraudulent counting or failure to count votes and illegal assistance besmirched both the primary and the election. "Zero divisions" abounded in Philadelphia and Pittsburgh just as in 1925.

In addition, the failure promptly to count the vote and make the returns in certain parts of the State, kept the result of the primary for Governor in both of the major parties in doubt for days.

Notwithstanding abundant evidence of fraud, ballot boxes used at the general election have not been opened in several counties of the State because there is on the statute books no law requiring them to be opened.

We are still firmly of the opinion that all of the measures which we presented to the 1926 Session of the Legislature should be adopted; and we stress particularly as vitally essential to clean elections in this State, the following subjects which can be dealt with by legislation:

Mandatory opening of ballot boxes;
Restriction of assistance to voters;
Use of voting machines;
Permanent registration of voters.

We also feel that Constitutional amendments should be adopted abolishing the tax qualification for voting and giving the Courts the right to appoint overseers of election from outside of the district in which they are to serve. However, as it will be impossible for any amendment not yet initiated to come before the people until 1933, we do not stress these amendments now.

We earnestly hope that the forth coming session of the Legislature will again act favorably on the Resolution adopted by the Special Session of 1926 proposing a Voting Machine Amendment to the Constitution.

In addition, the 1926 primary demonstrated that our Corrupt Practices Act is utterly futile as a means of controlling the expenditure of money. It is needless to recite the scandalous situation revealed by the investigation of the so-called Reed Committee of the United States Senate.

We believe that the maximum amount of money expendably by or for any candidate at a primary should be definitely limited. We realize that Pennsylvania is a large State and that amounts which in some of the smaller States would seem extravagant, are necessary to bring home to the large number of voters of this State, the appeal of a candidate for a state-wide office. Accordingly, we suggest as a liberal maximum, ten cents per voter for the largest number of voters who at the last preceding election cast their ballots in the particular district in which the primary candidate seeks a nomination, for any candidate of the primary candidate's party.

Another feature of our present law which requires revision is that which permits the formation of any number of volunteer committees to handle money contributed for campaign purposes. We believe that every candidate for office should have one,—and only one,—agent to whom campaign money may lawfully be paid and through whom or his sub-agents all compaign expenses must be paid; that the penalty for any violation of the laws governing campaign expenses by a candidate or his agent should be ineligibility to become a nominee; and that if a sub-agent with the knowledge of the candidate violates the law, the candidate should likewise be ineligible. If nominated under these conditions, the candidate's nomination should be void.

Finally we believe that our present law should be amended so as to render illegal expenditures "for the dissemination of information to the public",—a catch-all phrase which has been used to cover all sorts of improper expenditures,—and "for the transportation of voters to and from the polls,"—another source of abuse at the present time. We also believe that the payment of watchers by or behalf of any candidate should be prohibited. The payment of watchers has come to be merely an indirect method of buying votes and should be stopped.

We take the liberty of submitting to you, for such use as you may see fit to make of it, an outline of a Corrupt Practices Act applicable to primaries which would, in our judgment, render almost impossible a repetition of our 1926 primary scandal.

We are also attaching a complete list of the measures recommended by us to the 1926 Special Session of the Legislature.

Respectfully submitted,
THOMAS RAEBURN WHITE
MARY FLINN LAWRENCE
CHAS. C. MCGOVERN
GUY W. MOORE
VANCE MCCORMICK
MRS. SAMUEL B. SCOTT
MELVILLE F. FERGUSON
MRS. J. O. MILLER
BENJAMIN H. RENSHAW
JUDGE JOSEPH H. TAULANE

OUTLINE OF SUGGESTED CORRUPT PRACTICES ACT FOR PRIMARIES

All expenditures of, for and on behalf of any candidate at a primary, whether made before, on, or after the date of the primary, shall be limited to and shall not exceed such amount as shall result from the multiplication of ten (10) cents by the largest number of voters who at the last preceding general or municipal election at which the office to which the candidate seeks to be nominated was filled, voted in the district in which the candidate seeks to be nominated, for any candidate of his party for an office to be filled for that district.

If any candidate seeks the nomination of more than one party for the same office, the expenditures of, for and on behalf of such candidate shall be limited to and shall not exceed the largest amount which might be expended under the provisions of this act by, for and on behalf of such candidate as the candidate of only one of the several parties whose nomination he seeks.

As herein used, "district" shall include the entire State when the candidate is seeking to be nominated to an office for which the electors of the State at large are entitled to vote.

All expenditures of, for and on behalf of any group of candidates at a primary, whether made before, on, or after the date of the primary, shall be limited to and shall not exceed the largest amount which might be expended under the provisions of this act by, for and on behalf of any individual candidate included among the group.

As herein used, "group of candidates" shall mean any two or more candidates whose candidacies shall with their consent within ninety days prior to the date of the primary, be mentioned and expressly or impliedly advocated in the same campaign advertisement or the same campaign letter or other literature or by the same person over the radio or at the same campaign meeting. The consent of a candidate to such mention and advocacy of his candidacy shall be conclusively presumed unless he or his agent shall within forty-eight hours after knowledge of such mention shall be brought to his attention or to the attention of his agent publicly disavow his consent thereto by filing with the Secretary of the Commonwealth an affidavit stating that the candidate did not have previous knowledge of the fact that his candidacy was to be mentioned and advocated

jointly with the candidacy or candidacies of one or more other candidates, that he had not consented thereto, and that he has prohibited any further such mention and advocacy of his candidacy.

Before any expenditures shall be made by, for or on behalf of any candidate at a primary, such candidate shall appoint an agent who shall be known as his primary agent. The candidate may name himself as primary agent. A group of candidates as hereinbefore defined may name the same person as the primary agent of all of the candidates in the group; but in such case every candidate in the group shall be equally responsible for and chargeable with any violation of law which the group's primary agent may commit.

As herein used, "candidate" shall not be limited to mean a person whose nomination papers have been filed, but shall include any person by whom or on whose behalf steps are being taken to procure a nomination at a primary, before as well as after the filing of nomination papers.

Only one primary agent shall be appointed for each candidate, but the appointment, whether the primary agent appointed be the candidate himself or not, may be revoked, and in the event of such revocation or his death, whether such event be before, during or after the primary, then forthwith another primary agent shall be appointed.

Within forty-eight hours after the appointment of his primary agent, a candidate shall certify such agent's name and address to the officer in whose office the primary agent's account of receipts and disbursements must be filed. Such officer shall forthwith upon the receipt of every such certificate give public notice thereof by posting a copy of the same in a conspicuous place in his office, accessible to the public.

Every primary agent may appoint deputy or sub-agents to act within one or more counties, cities, boroughs, townships or voting precincts, divisions or districts; but anything done by, to, or through a sub-agent shall be deemed to have been done by, to, or through the primary agent, and any act or default of a sub-agent which if he were the primary agent, would be an illegal act or default under the provisions of this act, shall be an offense against the act for which the sub-agent shall be subject to the penalties of this act.

Within twenty-four hours after the appointment of any sub-agent, a primary agent shall give notice of the appointment of such sub-agent by certifying such sub-agent's name and address to the sheriff or sheriffs of the county or counties in which the sub-agent is to serve; and immediately upon receiving any such notice it shall be the sheriff's duty to give public notice thereof by posting a copy thereof in a conspicuous place in his office, accessible to the public.

The appointment of a sub-agent shall not be vacated by the fact that the primary agent who appointed him has ceased to be primary agent, but may be revoked by the primary agent for the time being of the candidate, and in the event of such revocation or of the death of a sub-agent another sub-agent may be appointed, and his name and address shall be forthwith certified as in the case of sub-agents originally appointed.

It shall be unlawful for any primary agent to appoint any sub-agent during or after the day preceding the day of the primary.

Except as specifically permitted in this act, no payment and no advance or deposit shall be made by a candidate at a primary or by an agent on behalf of the candidate or by any other person at any time, whether before, during or after such primary, in respect of any expenses incurred on account of or in respect of the conduct or management of such primary otherwise than by or through the primary agent of the candidate, whether acting in person or by a sub-agent; and all money provided by any person other than the candidate for any expense incurred on account of or in respect of the conduct or management of the primary, whether as gift, loan, advance, or deposit, shall be paid to the candidate or his primary agent and not otherwise.

It shall be unlawful for any person to give, contribute, lend, advance, deposit, assign, transfer, set over or in any manner make available any property or other thing of value except money; and any person who shall pay to the candidate or his primary agent on account of or in respect of the conduct or management of his candidacy a total of more than five dollars, shall make all payments in excess of the first five dollars by check signed by the payor or by money order naming the transmitter of the order. It shall be unlawful for any person to make any contribution with funds donated for the purpose of other persons. Every person making a contribution shall do so in his own name.

Any person who shall make any payment, advance or deposit in contravention of this act, or pays in contravention of this act, any money so provided as aforesaid shall be guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than five hundred dollars and imprisonment not exceeding one year.

Every payment made by a primary agent, whether by himself or by a sub-agent, in respect of any expenses incurred on account of or in respect of the conduct or management of a primary shall be vouched for by a bill stating the particulars, and by a receipt. All payments exceeding five dollars in amount shall be made by check drawn to the order of the individual, association or corporation to whom the payment is due.

All claims against a candidate or his primary agent in respect of any expenses incurred on account of or in respect of the conduct or management of such primary, which are not submitted to the primary shall be barred and shall not be paid; and every candidate shall pay all claims for any such expenses not later than the thirtieth day following the date of the primary except disputed claims. If any claim is disputed, the claimant may bring an action in any competent court for the recovery of the amount of his claim, and if he recover a judgment therefor it shall be lawful for the candidate or his primary agent to make payment thereof at any time.

In any action in which it shall be material to ascertain the amount expended by or on behalf of any candidate at a primary, it shall be the duty of the court to include all disputed claims as expenditures, unless after hearing the evidence on behalf of and against the claimants, the court shall be of the opinion that any claim or claims should be excluded in whole or in part. Such determination by the court in any such action shall not be conclusive against the claimant in any action brought to recover the amount of his claim; but it

shall not be competent for any court before which any such claim is tried, to permit the claimant to introduce any evidence in support of his claim which he did not offer to introduce or the absence of which he did not explain in the court seeking to ascertain the amount of the candidate's primary expenses.

Any candidate at a primary may pay any personal expenses incurred by him on account of or in connection with or incidental to such primary to an amount not exceeding $200, but any further personal expenses so incurred by him shall be paid by his primary agent. The candidate shall send to the primary agent within the time limited by this act for sending in claims, a written statement of the amount of personal expenses paid by such candidate.

Any person may if so authorized in writing by the primary agent of the candidate, pay the necessary expenses for stationery, postage, telegrams, car-fare, gasoline, hotel bills and other petty expenses not exceeding the sum named in the authority, but any excess above the total amount so named shall be paid by the primary agent. A statement of the particulars of payments made by any person so authorized shall be sent to the primary agent within the time limited by this act for the sending in of claims and shall be vouched for by a bill containing the receipt of that person.

The purposes for which expenditures may be made to be the same as under Section 4 of our Corrupt Practices Act (Act of March 5, 1906, P. L. 78) except that "the rental of radio facilities" be added and that the following purposes be omitted:

"For dissemination of information to the public."

"For the employment of watchers to the number allowed by law."

"For the transportation of voters to and from the polls."

Within thirty-five days after the date of the primary, every primary agent shall file a sworn statement of all receipts, disbursements, disputed claims and unpaid undisputed claims, fully itemized. This statement shall show all disbursements made by the candidate, the primary agent and his sub-agents, and all money received by the primary agent from the candidate or paid by any other person to the candidate or the primary agent for the purposes of expense incurred or to be incurred on account of or in respect of the conduct or management of the primary, giving the name of every person from whom the name was received.

This statement shall be accompanied by an affidavit by the candidate that to the best of his knowledge and belief his primary agents' statement of receipts, disbursements, disputed claims and unpaid bills is correct; that to the best of his knowledge no person, association or corporation has made an unlawful contribution or unlawfully made any payment or given, promised or offered any reward, office, employment or valuable consideration or incurred any liability on account of or in respect of the conduct of his candidacy at the primary; that he has not paid to his primary agent any money or turned over to him any security or equivalent of money except as shown in the primary agent's statement; and that he will not at any future time make or give any payment, reward, office, employment or valuable consideration for the purpose of defraying any expenses incurred in connection with his candidacy or provide or be a party to providing any money, security or equivalent of money for such purposes.

Place of filing statement to be determined as in Section 6 of our Corrupt Practices Act.

Section 7 of our Corrupt Practices Act to be retained.

Any candidate who shall by himself or by his primary agent or with the knowledge of the candidate of his primary agent by his sub-agents make any expenditure in excess of the amount allowed by law, or who by himself or his primary agent shall make any expenditure for a purpose not allowed by law, shall not be eligible to hold the office for which he was a candidate at the primary, and if nominated, his nomination shall be void; and if any sub-agent shall with the knowledge of the candidate or his primary agent make any expenditure for any purpose not allowed by law, the candidate shall likewise be ineligible, and if nominated, his nomination shall be void.

Provide appropriate penalties, including mandatory jail sentences for any violation of the act.

Procedure for auditing primary agent's account to be as provided in Section 9 of our Corrupt Practices Act.

Section 10 also to be retained inserting provision for certifying finding of court in the case of candidate for United States Senate, to the President of the Senate.

Sections 8, 11, 12 and 13 to be retained as far as applicable.

Necessary definitions, other than those hereinbefore specifically mentioned, to be supplied.

LIST OF BILLS RECOMMENDED TO 1926 SPECIAL SESSION OF THE LEGISLATURE

1. An act to compel the opening of the ballot boxes used in any district at a primary or election upon the oath of five voters of the county that they believe fraud or error occurred in marking the ballots or counting the vote contained in the box.
2. An act restricting assistance to voters to cases of actual inability to mark the ballot.
3. An act requiring voters at primaries or elections to sign their names on the ballot check lists upon receipt of their ballots.
4. An act providing for the permanent registration of eligible voters.
5. An act providing for the optional use of voting machines in any city, county, borough or township of the State.
6. An act to render impossible the so-called "chain system" of voting.
7. An act to compel the ballot boxes to be delivered to the court house not later than six o'clock P. M. of the day following any primary or election.
8. An act giving any citizen the right to inspect, under proper supervision, the election records (excepting the ballots in the ballot-boxes).
9. An act prescribing jail sentences for election offenses.
10. A constitutional amendment permitting the Legislature to compel the use of voting machines in any city, borough or township, without being obliged to compel them to be used in all cities, boroughs or townships.

11. A constitutional amendment permitting the courts to appoint overseers of elections not residing in the districts in which they are to serve.

12. A constitutional amendment abolishing the tax qualification for voting.

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